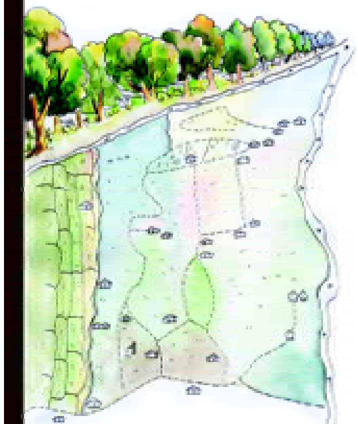
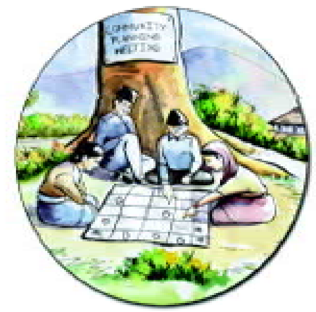
Developing Sustainable Communities

A TOOLKIT FOR DEVELOPMENT PRACTITIONERS





PARTICIPATORY LEARNING AND ACTION TOOLS

- Social Mobilisation
- Appreciative Participatory Planning and Action
- Market Analyses and Development
- Enterprise Support Services

ICIMOD

SNV

Developing Sustainable Communities

A Toolkit for Development Practitioners

Developing Sustainable Communities:
A Toolkit for Development Practitioners

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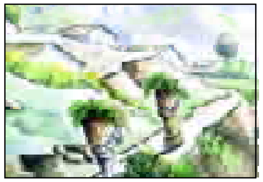
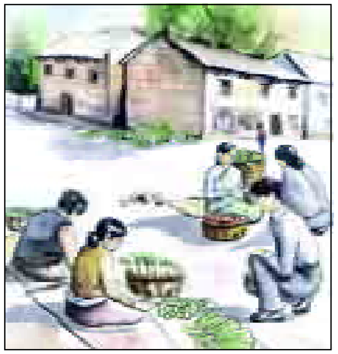




List of PLA Tools

Foreword

Developing Sustainable Communities, A Toolkit for Development Practitioners is a product of the long and concerted efforts of several advisors of SNV/Nepal. Most of the examples and cases used in this toolkit are from SNV's field experiences in the remote areas of Nepal, particularly in the Eastern (Mechi Hills) and Western (Karnali Zone) development regions.

The toolkit is designed and intended for field practitioners, development workers, and facilitators involved in community mobilisation, organising, and enterprise development. It highlights four components (chapter by chapter): Social Mobilisation (SM), Appreciative Participatory Planning and Action (APPA), Market Analyses and Development (MAD), and Enterprise Support Services (ESS). The toolkit is also a resource book for researchers, planners, and rural development managers.

I am thankful to and acknowledge the work of SNV advisors. The credit goes to them for organising the toolkit and doing extensive research and concrete documentation of field experiences. I also wish to acknowledge the efforts and contributions of other SNV/Nepal advisors, staff, clients, and partners who were involved directly and indirectly in making the toolkit a reality.

Finally, I wish to extend my heartfelt appreciation to Spiny Babbler for their excellent editing and layout and to ICIMOD for publishing the document.

May the toolkit be used by many!

Jan de Witte
Director, SNV/Nepal
Kathmandu
September 2004

Introduction

Most development initiatives intend to reduce poverty and bring about better living conditions for local people. These intentions anticipate changes usually expected to take place within and among the people themselves. The distance between good intentions and achieved changes; however, is often vast. How can one bring about change in people, communities, and organisations? This toolkit is an initiative contributing towards this end. It can help facilitators, development workers, and organisers to mobilise and involve people in development work.

The toolkit is composed of four interrelated but separate chapters on Social Mobilisation (SM), Appreciative Participatory Planning and Action (APPA), Market Analyses and Development (MAD), and Enterprise Support Services (ESS). A set of 34 field-tested participatory learning and action tools have been included in the last section. These are exercises and games to facilitate group discussions and generate data.

SM and APPA make up the organising phase where interest groups are built up and assets/opportunities discovered for possible income generation activities. MAD provides the incentives and direction toward identifying, selecting, and developing potential enterprises and ESS assists entrepreneurs by providing a conducive, institutional, and market environment for enterprise development. The four approaches help to shape a project cycle that can be used to create a participatory process and involve participants to utilise their skills and learning for economically empowering sustainable activities.

SM consists of seven stages, APPA works with five stages, and MAD and ESS each have three stages. Each stage involves more people and more capacity building. They contain separate activities for suggestion and discussion in order to move the process forward to the next stage.

This toolkit is not for beginners, but for practitioners who are 'training trainers', and who assist professionals in direct contact with communities. It can be relevant for planners and policy-makers attempting to draw lessons from the field and design new programmes.

Since the toolkit is based on experiences and situations from rural Nepal, terminologies like VDC, DDC, or CBO have been used in the context of Nepal's social development structure. Their definitions can be found in abbreviations. Artworks have been made according to Nepal's sociocultural background.

The information presented in this toolkit is open to discussion, as practitioners and facilitators may have their own experiences and insights to contribute to each chapter. The content is not static and should be continually developed and enriched by experiences from other countries, regions, and organisations. The toolkit provides minimal theoretical background and does not provide answers to all situations. Where needed or if information recommended tools is not available, toolkit users will have to refer to other sources for more in-depth information and materials, and the bibliography provides an overview of available documents/websites. People involved in the project cycle might require personal competencies and skills to deal creatively with particular situations.

Each chapter follows this general outline:

- introduction to each approach;
- information on key topics; and
- the stages belonging to each chapter.
  Each stage is comprised of the following general structure:
  * overview,
  * methodology,
  * guidelines, and
  * use of tools.

Tools have been mentioned throughout the toolkit and one can refer to the section on PLA tools,(page 131) which outlines various tools alphabetically. These refer to both PLA and other tools. Toolkit users can choose which tool is most relevant or useful to their situation based on either references made in the text or, where it is applicable.

The four approaches including their specific stages are presented in the table.

The Four Approaches Showing Specific Stages

<table>
<tr><th>SM</th><th>APPA</th><th>MAD</th><th>ESS</th></tr>
<tr><td rowspan="2">Appraisal & Rapport Building</td><td>Discovery</td><td rowspan="2">Assessment</td><td rowspan="2">Analysis</td></tr>
<tr><td>Dream</td></tr>
<tr><td rowspan="2">Social Analysis</td><td>Direction</td><td rowspan="2">Analysis</td><td rowspan="2">Assessment</td></tr>
<tr><td>Design</td></tr>
<tr><td>Social Capital & Group Formation</td><td rowspan="4">Delivery</td><td rowspan="4">Action</td><td rowspan="4">Action</td></tr>
<tr><td>Social Action</td></tr>
<tr><td>Alliance Building</td></tr>
<tr><td>Advocacy</td></tr>
<tr><td>Social Reflection</td><td></td><td></td><td></td></tr>
</table>

Background

This toolkit has been developed based on the experiences of the Netherlands development organisation SNV/Nepal. For this effort, the organisation prepared an inventory of practising approaches and strategies, examined existing documents, consulted field workers, and conducted workshops among programme teams to learn more about specific issues that were experienced first-hand. The results were organised and documented and compiled as a toolkit. It is hoped that the toolkit's ready-to-use style will make it easy for users to combine the four approaches and various tools.

The four chapters were developed at different times to serve and cater to the needs of facilitators and development workers who are involved in various programmes and organisations. They represent the shift in development approaches in the last decade from process-oriented community building to a more market-oriented approach with more attention on products and services. Initially, these approaches may have differed from each other in terms of basic steps and their links; however, in practice they complement each other based on the needs and interests prioritised by the target groups.

Who are the users of this toolkit?

The toolkit has been prepared for those who are engaged in project management. It provides a basic framework that helps systemise their work and make it more effective. Serving as a reference, it provides the content for training on capacity building and monitoring at various levels. Staff members can use this toolkit and make suggestions to train their own local counterparts and partner NGOs. It is potentially useful to other practitioners who wish to improve field activities such as organisation, social action, advocacy, etc.

Chapter 1 (SM) and chapter 2 (APPA) can be used as a guide by staff of NGO partners involved in facilitating SM in programme districts; staff who support partner NGOs in carrying out these responsibilities; and programme staff, development facilitators, and trainers involved in community SM. Chapter 3 (MAD) is designed for people working within the private sector, government, or civil society organisations who are working with communities in the marketing and design for income-generating activities within their development programme. Chapter 4 (ESS) is for those who are involved in the design, implementation, and evaluation of enterprise development programmes.

How to use the toolkit?

When using the toolkit, bear in mind that the four chapters are interrelated but are independent approaches, each of which can be used as a whole, in parts, or separately (one doesn't need to start from SM or refer to all the chapters). Users can go directly to the part that is most relevant to them. The value of the toolkit; however, lies in its presentation of how to combine the approaches.

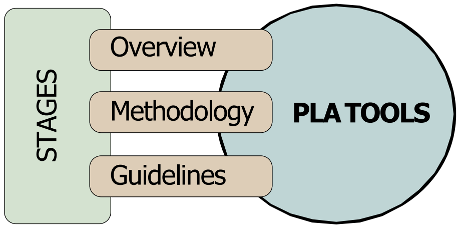
While going through each chapter, it is important to remember that the exact moment for entering a new stage is never precise. Sometimes a process stalls, goes back and moves forward, or simply runs out of options or themes. You can choose or combine the stages according to the context within which they are working, or go through the stages of each chapter creatively by combining and switching between each step. All of this depends on the situation in an area, the nature of the groups, and the overall economic and political situation at a given time.

The steps in each stage should be used preliminarily as a means to initiate the process, but it is up to facilitators to decide which methodology best suits each stage. Not every group, community, or organisation has to go through the same process. It is the interaction between the groups and facilitators that determine how the approaches can be combined. Figures and tables are integral to the toolkit and these either support the text or exemplify ideas and concepts. Tables can be shaped according to how they will be used.

When do you use each PLA tool?

To assist facilitators and trainers, the four chapters of this toolkit combine concepts with field-tested participatory learning and action (PLA) tools and games. The uses and effectiveness of the PLA tools are highly correlated with a project cycle. There is no set order or 'recipe' for when to use which tools, although some tools are more effective to gather information about the community and its problems, while analytical tools are used to prioritise the community's problems and solutions. In general, the tools should be chosen based on the types of questions that need to be answered. Participatory rural appraisal (PRA) and participatory action research (PAR) tools are part of the selection of PLA tools presented in this toolkit and timing for each tool is indicative; it may take less or more time than proposed.

Chapter structure



CHAPTER 1

Social Mobilisation in Action

Social mobilisation is the process of bringing together all feasible and practical inter-sectoral social allies to raise people's awareness of and demand for a particular development programme, to assist in the delivery of resources and services and to strengthen community participation for sustainability and self-relaince.

- McKee

Social Mobilisation
- *intensifies programming with marginalised groups;*
- *includes both intended beneficiaries and the broader society — this means all possible stakeholders; and*
- *combines community participation with advocacy on selected issues.*

Introduction

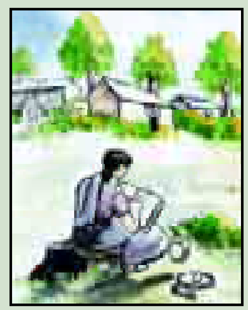
Among key factors that make a development programme succeed, community participation is vital. Therefore, while essentially aiming to give ownership to the community, Social Mobilisation (SM) strengthens the capacity of women and men to address their needs in a socially, economically, and ecologically sustainable manner.

It organises people at the grassroots' level to carry out self-help activities that help to influence and change policies and programmes. Embodying the principles of participatory approaches, economic empowerment, community organisation, and local governance, it provides a basic framework that helps systemise and make the mobilisation process more effective.

In this toolkit, the SM is presented in seven stages: Appraisal and Rapport Building, Social Analysis, Social Capital and Group Formation, Social Action, Alliance Building, Advocacy, and Social Reflection (refer to the figure on page 16). It is important; however, to keep in mind that depending on the given situation, one can skip some stages or implement other stages simultaneously, or use them in a different order.

A Comparative Outline of Social Mobilisation with Sustainable Tourism Development

Social Mobilisation Process	Sustainable Tourism Development
Stage 1 Apprasial & Rapport Building	Identification of potential tourism area Inventory of tourist trekking trails Village site selection
Stage 2 Social Analysis	Feasibility of trail packages
Stage 3 Social Capital & Group Formation	District, trail, and business planning
Stage 4 Social Action	
Stage 5 Alliance Building **Stage 6** Advocacy **Stage 7** Social Reflection	Planning and implementation of tourism marketing strategy



This figure shows an example of how an economic programme, such as sustainable tourism development links with the SM process.

SM taps the inherent capacity of every person, group, and community helping various stakeholders to direct their own future. Used intensively in programmes to assess, analyse, and generate actions, its key components are focused capacity building, specific institutional development, and strengthened organisational capability.

An important element in SM is the inclusion of poor or disadvantaged groups and the active involvement of community-based organisations (CBOs) and non-government organisations (NGOs). This is a prerequisite for a continuing SM process.

Social Mobilisation Process

Stages	Objectives
Apprasial & Rapport Building	Initiates dialogue
Social Analysis	Assesses the situation
Social Capital & Group Formation	Creates social capital through group formation
Social Action	Develops and implements the programme
Alliance Building	Networks and builds coalitions
Advocacy	Raises awareness toward solutions
Social Reflection	Enhances advocacy for policy and value changes

BUILDING THE CAPACITY OF COMMUNITIES

SM helps to build the confidence and awareness of women and men to make their own decisions regarding development work. It focuses on nurturing their basic (literacy and technical) skills to plan and implement programmes. During the process, women and men develop their abilities to generate and access economic resources that enable them to initiate and sustain development efforts.

SM emphasises increasing people's power to claim available services and gain commitment from decision-making bodies of service agencies. Sensitising people's awareness toward gender equity, social justice, economic and political empowerment, and cultural diversity, it works to advocate common goals through formation of alliances. Eventually, it seeks to establish an ongoing process of self-mobilisation.

WHO ARE THE FACILITATORS?

SM includes the role of outside facilitators as catalysts and convenors. They play a contributory role in the process, when sufficiently equipped by proper orientation, an appropriate working approach, and attitude.

Facilitators can come from various organisations. They include NGO members, locally hired staff, or the organisation's own staff. One of the results of SM is to produce local facilitators who can facilitate, sustain, and replicate the process.

Facilitators should bear in mind that strengthening the capacity for SM requires a need assessment of the institutions and players involved. A key goal of the process is to build an in-depth and comprehensive participatory Social Analysis of the community.

THE ROLE OF FACILITATORS

The responsibilities of facilitators should include the following aspects.

Initiating. Facilitators need to bring together all the different stakeholders to take part in the SM process. They should propose procedures or suggest techniques that will help build up the participatory capacity of women and men and enable them to take up the initiative for Social Analysis and Social Action. They should be able to find allies, arrange financial support, and share experiences from outside. But as an initiator, their role should not be mistaken as someone who takes control over the decisions of communities.

Facilitating. Asking proper questions and sharing information are essential for capacity building within the facilitation process. But facilitators should be consciously aware that they are not 'there' to provide the answers. At each stage of SM, participatory groups should be given the responsibility of 'thinking through' and coming up with their own suggestions or views. They should feel a sense of ownership with what they do. People; however, need information and facilitators should be responsible in sharing what they have learned from other places, and explaining to groups how people in similar circumstances have handled their situations.

Designing the process. Designing the process is another crucial role of facilitators. An improper or unjust design process might exclude people. Facilitators should assist the group to design an SM process that ensures the participation of all the stakeholders. They should contribute to the design, especially the management and monitoring aspects, so that participants themselves eventually take responsibility for the design process.

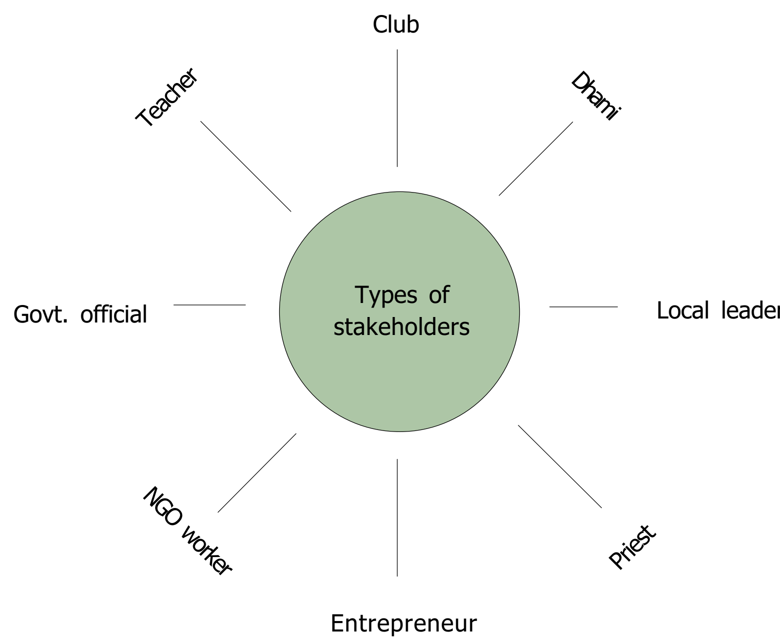
Adding technical expertise. Facilitators should be ready to share technical or other expertise that complements the group process. Input from a technical expert can help open up additional possibilities for people to incorporate their own expertise. It is essential; however, to respect local knowledge and skills while adding technical or other expertise.

Observing the process. Observation provides fundamental information. Facilitators are more effective if they observe the process, people's commitment, and the targets and results of the SM process. They should ensure that the voice of marginalised people in communities is heard, whether norms are being followed, learning is occurring, and practical results are being produced.

Monitoring. A learning process for partner NGOs, facilitators, and participatory groups, monitoring helps to assess the quality of capacity building at the grassroots' level and its contribution to poverty alleviation.

The decision to draw in outside support should be based on an assessment of group performance. Although the maturity of each group is unique, it can be assumed that a period of three years, with three successive cycles of SM, should help build a group to the desired state of maturity. The design process should indicate when to withdraw support based on the scores of each group after an organisational assessment is carried out.

Process for Consideration During Social Mobilisation



Stage I: Appraisal and Rapport Building

OVERVIEW

SM starts with identifying marginalised areas and people within the selected geographical areas for a given programme. It is assumed that a pre-scan has been conducted to select the area where an intervention is going to be implemented. Support or assistance is going to be provided, which will allow a community to take on an active role in their development.

Stage I can be completed in one month; however, depending on the community situation, topography, human resources, and other factors, the time needed may vary. Facilitators should adapt according to local conditions and their own insight.

Appraisal and Rapport Building

- *initiates the SM process;*
- *is essential for acquiring 'social' legitimacy of the SM process; and*
- *creates a context for generating inputs from the people at the preliminary stage of the design process.*

Stage II: Social

METHODOLOGY

Step 1: *Initiate dialogue and prepare a preliminary appraisal for identifying villages or settlements*. Dialogue is initiated between the facilitator and the communities in the selected area. The aim is to build a good relationship with various stakeholders and prepare a summary of the secondary information on the community and area to share with the members. Where possible, try to obtain gender-disaggregated data.

Step 2: *Build a preliminary village profile based on a check-list*. Record information using the checklist, after which obtain an agreement for Social Analysis.

Step 3: *Organise rapport-building workshops*. Conduct workshops with Village Development Committees (VDCs), NGOs, government organisations (GOs), and private agencies working in the area. These should bring together various stakeholders to debate, agree/disagree, and negotiate on matters related to the proposed process of SM. One must take into account the sensitive use of gender and cultural issues.

Step 4: *Conduct rapport-building mass meetings in each ward*. Facilitators can introduce the SM process to the people and explain and answer questions through the following activities:

- explain the objectives of the process — what the intended achievements are;
- explain the approaches — how you want to work to achieve the objectives;
- describe the SM process (briefly in preliminary meetings and in detail during orientations);
- explain how it benefits the community and what kind of work you intend to carry out in the area;
- disclose how the work is funded and the duration;
- describe what the people are expected to do;
- collect the comments and inputs, note down the points, and clarify the queries;
- incorporate the suggestions; design a preliminary process collaboratively with the people; and
- do not raise expectations at the VDC and community-member levels.

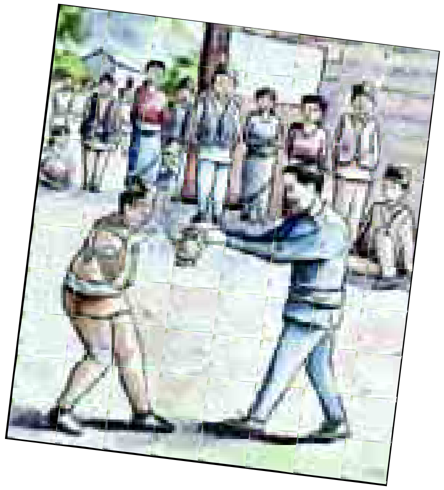
Step 5: *Conduct group discussions at the village and settlement levels*. Facilitators should establish a relationship of mutual rapport with the people. Without such a positive bond, the people, being the key players of the SM process often reject interventions that are imposed by outsiders. This is especially important if one wants to get responses from women.

Step 6: *Organise informal meetings and visits*. Rapport cannot be established in one meeting or interaction, but through long-term engagement with common efforts. Rapport-building is a continuous process of gaining confidence and acceptance through words and work. Facilitators should visit homes, meet people, and make informal contacts individually. A good relationship and trust between the people and facilitators are key to the success of stage I.

GUIDELINES

1. Conduct ward and village ranking according to the relationships they have with the VDC and other agencies, and list criteria.
2. Conduct an institution analysis for identifying organisations working in the area.
3. List contact people.
4. Mainstream the gender perspective and observe the following aspects:
   - gender dynamics in a group situation;
   - rate of illiteracy of women;
   - lack of mobility of women;
   - heavy burden on women's workload;
   - gender role, relations with others, and degree of acceptance on gender role by society; and
   - dominance of men during discussions.
5. Identify potential participants in meetings and workshops based on the following list:
   - community group members who are women, Dalits, people from indigenous communities, children, school teachers, and elders;
   - District Development Committee (DDC) and VDC members, ward representatives, and field and NGO workers;
   - *dhami*, *jhankris*, *lamas*, and *pundits*;
   - government officials from various line agencies and government-service-centre staff;
   - other influential people: opinion leaders, informal leaders, and entrepreneurs; and
   - associations and clubs.
6. It is of equal importance to establish a good relationship with the other stakeholders involved in the area.

Use of Tools
Pairwise and matrix ranking



Stage II: Social Analysis

OVERVIEW

The second and most important stage of SM, Social Analysis, investigates the community's existing situation. It identifies the most marginalised people in the community and analyses their problems and causes. This will become the basis for people to organise into groups and take collective action. If facilitated properly, Social Analysis increases the collective awareness of different stakeholders involved in the process and creates an understanding by the wider society. Please refer to page 24 for methodology.

Social Analysis

- *identifies problems and opportunities for social action/awareness-raising, advocacy, and to build an action plan;*
- *interrelates economic, political, and social aspects at the local level; and*
- *can be used for policy analysis and further research.*

Stage III: Social Capital and Group Formation

OVERVIEW

Stage III involves the creation of social capital by organising (or reorganising) the communities into groups and strengthening their organisational capacities. This stage aims to establish a self-managed and self-reliant group at the community and sub-community level, so that the people, through collective action, can improve the socioeconomic and political conditions for themselves and their families. Please refer to page 27 for the methodology.

Social Capital and Group Formation occur at two different levels:

i) the level of communities, groups, or localities to enable them to tackle their immediate needs; and
ii) at a wider scale of geography and population to change or influence national- and regional-level policies to address strategic needs.

Social Capital and Group Formation

- *builds up a sense of solidarity amongst community members by helping them organise into groups;*
- *enables a community to organise, recognise dignity, and make collective ideas available to support effective self-help and political actions; and*
- *provides a basis for long-term institutional development by increasing capacity of groups to organise themselves.*

Steps to Develop Awareness-Raising Activities

Identify generative themes

Generative themes are themes that have been identified as critical issues in community life. They are developed after collective Social Analysis and can be taken as a basis for further discussion and analysis. The discussions can lead to action to improve the situation. Such themes emerge from people's worries, fears, and hopes.

Develop a code around the generative themes

The themes identified should be developed into a 'code' that reflects the situation people are experiencing. The code could include PRA diagrams, maps, or other visuals such as posters and photographs. Other kinds of codes include stories, songs, and drama.

Describe and analyse the code

The code should be analysed using three basic steps. In the first step, participants describe the code (posters, diagrams) in their own words, as they experience them. The second step involves linking the situation described in the code with the people's real situation, emphasising the differences, similarities, the problems, and potentials. This level of analysis should lead to the third step: analysis of the root causes of a situation. The groups then identify the causes and other dimensions of the situations and use opportunities to change them. It is particularly important that women's voices and opinions are included.

Plan and implement group action

As a logical outcome of the analysis of the situation, participants should come up with an action plan that helps address the issues identified. Implementation of activities can help participants go through the process of reflection and action.

The suggested initial activities are expected to help raise awareness and confidence in people, especially the poor and women, so that they can eventually organise into groups and become involved in the SM process.

METHODOLOGY: STAGE II

Step 1: *Make a preliminary preparation for Social Analysis*. It is essential for local communities, families, and children to be involved from the design stage to the implementation of the SM process. They are the prime movers and play a key role in generating and analysing information, identifying problems and opportunities, and establishing priorities. To gain an overview of the community's present situation, carry out the following activities:

- organise an orientation meeting on SM with the VDC representatives and share the information collected during stage I;
- use transect walks to familiarise yourself with the physical area and make arrangements for an analysis group discussion with the people;
- carry out a listening survey to identify the key concerns of different sections of the community; and
- collect people's views about what should be considered while doing Social Analysis, for example, identifying areas for information collection.

Step 2: *Conduct participatory rural appraisal (PRA) to collect basic and baseline information*. Gather information on topics such as population by age, gender, ethnicity, and caste; literacy and education; agriculture; employment; market centres, women's situation; village products/services; available skills; traditional or informal institutions; migration; natural resources; livestock; health; and infrastructure. Also identify the poorest households in the village using PRA tools and find out about available service agencies such as GOs, NGOs, and private sector services; CBOs, interest groups, and women's groups; and traditional or informal groups.

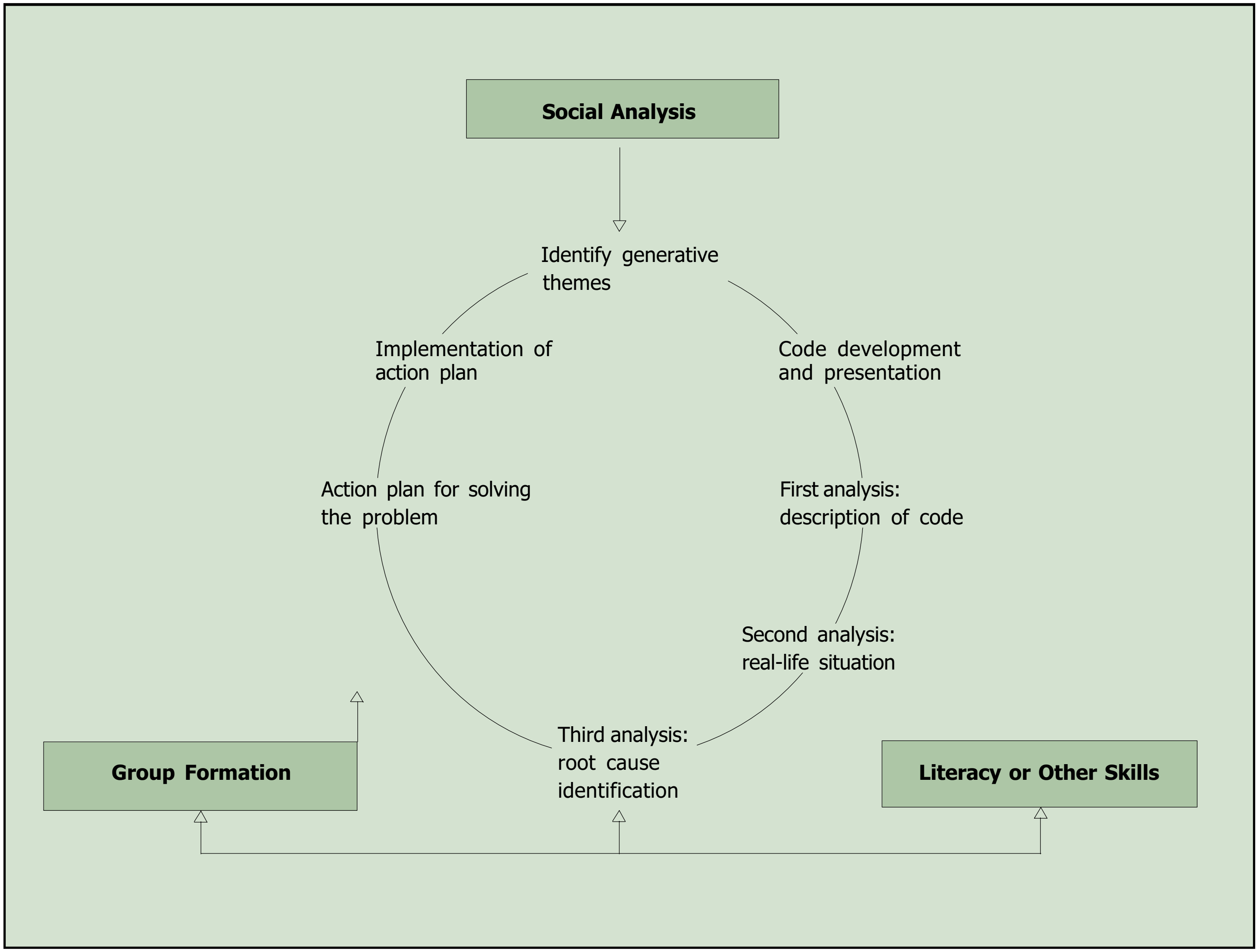
Step 3: *Identify key issues that can be the basis for group organisation and Social Action*. Learn about issues such as women's rights, land rights of indigenous people, untouchability, economic exploitation, and cultural discrimination. Possible issues are presented as follows:

- gender relations within the households;
- gender relations within the community;
- differences in gender relations among different groups and communities;
- practical and strategic needs of both women and men;
- problems specific to the poor, women, and ethnic groups and causes and trends of the problems;
- opportunities specifically available for the poor, women, and ethnic groups;
- difficulties in realising opportunities and potentials for acting upon opportunities;
- priorities of the different stakeholders;
- village trade (imports and exports of the village);
- non-timber forest products (NTFPs) and marketing;
- tourism; and
- people's resistance to development interventions.

Supplement PRA with other appropriate instruments, such as an analysis of information on stakeholders, gender, and Market Analyses and Development (MAD) instruments. If necessary, use other research methods including case studies, questionnaires, surveys, and life histories.

Step 4: *Prepare a Social Analysis report*. Use different formats for the report depending on who the readers are. For example, a summary of the information may be

Social Awareness Process Cycle



presented using visual and pictorial methods for discussions with the community, particularly illiterate women. More literary presentations may be used for District Development Committee (DDC) members and other users.

Step 5: *Share the findings of Social Analysis*. Facilitators should discuss the findings with the communities and other stakeholders. Findings include:

- basic information on the area and the people;
- issues for making claims and advocacy;
- issues that can be addressed at the grassroots' level by the communities concerned;
- issues that require assistance from outside agencies such as NGOs, VDCs, DDCs, and other donors; and
- issues for further and deeper analysis.

Step 6: *Discuss approaches for raising awareness/initial activities with the people*. Raising awareness is important in a situation when community members are not yet ready to take the initiative to respond to issues identified during Social Analysis. It helps increase people's concern about the issues identified and prepares them to organise into groups to carry out in-depth analysis of the issues. Be aware of different group dynamics.

Step 7: *Discuss the possibility of organising or reorganising or reforming the group to act upon issues*. Social Analysis will unveil issues of common interest; therefore, the community may decide to form a group at some point. In certain situations, households in the community may organise themselves for bigger issues of common concern, such as forest management or water supply. Facilitate discussions by using the wide variety of PRA tools such as social and resource mapping and wealth ranking.

Step 8: *Generate commitment from each level to address the issues*. The commitment at the VDC and DDC levels is as important as the commitment at the group and settlement levels. Social Analysis can be used for planning by VDCs, DDCs, NGOs, and other institutions.

Step 9: *When required, conduct awareness-raising or initial activities*. Awareness-raising activities take place in the transition period as the SM process moves from Social Analysis to group formation. Such activities should lead the groups into collective action and enhance their functional skills and confidence. Please refer to page 23 for information on how to develop awareness-raising activities.

Awareness-raising activities include non-formal education (NFE) classes, street theatre, puppet shows, and other socio-political campaigns. Activities can include information-sharing forums and tailoring rural radio and newspapers to suit the local situation. Whatever the nature of the activities, it is important that they address issues identified during Social Analysis. They should be carried out simultaneously when the group is forming to ensure and increase the inclusion of poor people and women.

GUIDELINES

1. The community is regarded as a 'pre-group' in stage II. A team of facilitators that include the 'external' facilitator and members of the local community is formed to facilitate Social Analysis. A gender balance is essential for effective analysis.
2. Stage II uses tools and techniques of participatory analysis that involves the community, including participatory action research (PAR) and PRA techniques.
3. PLA tools are used as a basic theoretical framework, and these tools and other participatory techniques facilitate people to analyse their situation. This is complemented with other quantitative research methods.
4. Experience has shown that raising the awareness of women is slower; this should be taken into account and addressed when necessary.
5. Stage II provides a meeting point for coming together as a group and precedes the group formation process.

Use of Tools

Transect walks, analysis group discussion, social and resource mapping, wealth ranking, seasonal calendar, problem-solving tree, mobility map, daily activity profile and diagram, decision-making matrix, and gender analysis

METHODOLOGY : STAGE III

Step 1: *Conduct a mass meeting at the village or settlement level*. Issues and actions identified during the Social Analysis process need to be endorsed during the mass meeting. Discuss whether people are ready to take initiatives to address them. If people are ready to take initiatives, discuss the possibility of existing groups taking initiatives. If people are not ready to take initiative, then discuss the possibility of implementing awareness-raising activities.

Step 2: *Conduct an intensive discussion with the members on the benefits of organising in groups*. If possible, group organisation should build on the existing forms of groups or organisations within the village. Existing groups are often traditional ones such as *parma* (a self-help group among neighbours to exchange labour for planting, harvesting, etc.) or more formal ones such as forest users' groups, cooperatives, or savings' and credit groups.

Step 3: *If a group does not exist, discuss the process of group formation*. If people are not ready for group formation immediately, discuss the possibility of implementing appropriate awareness-raising activities.

Step 4: *If an existing group is ready to take initiative, reorganise them for new issues*. The existing groups reorganise to democratise the group management processes and diversify the activities they undertake. It might be necessary to form various groups in order to enable women's involvement through mixed groups, separate

groups, mothers' groups, users' groups, and credit groups. If there is a newly formed group, organise it around the issues identified.

Step 5: *Identify sub-groups within the larger group (a village)*. Stage III should be able to identify the specific needs of different sections of the community such as women, poor people, Dalits, and indigenous people, who may wish to carry out activities such as savings and credit facilities, or income generation at the sub-group level. Sub-groups can form according to their specific issues, aspirations, and capacity and may include women's groups, income generation, NTFP activities, tourism, or savings and credit.

Step 6: *Conduct group and organisational assessment*. The people in a village or settlement should organise themselves according to the big issues that concern the whole population. This will enhance sub-group strengthening and planning and help address the needs and interests of the individual members. For example, the water system or forest management may include all households in the village as a users' group, while saving or literacy activities may concern smaller numbers of group members.

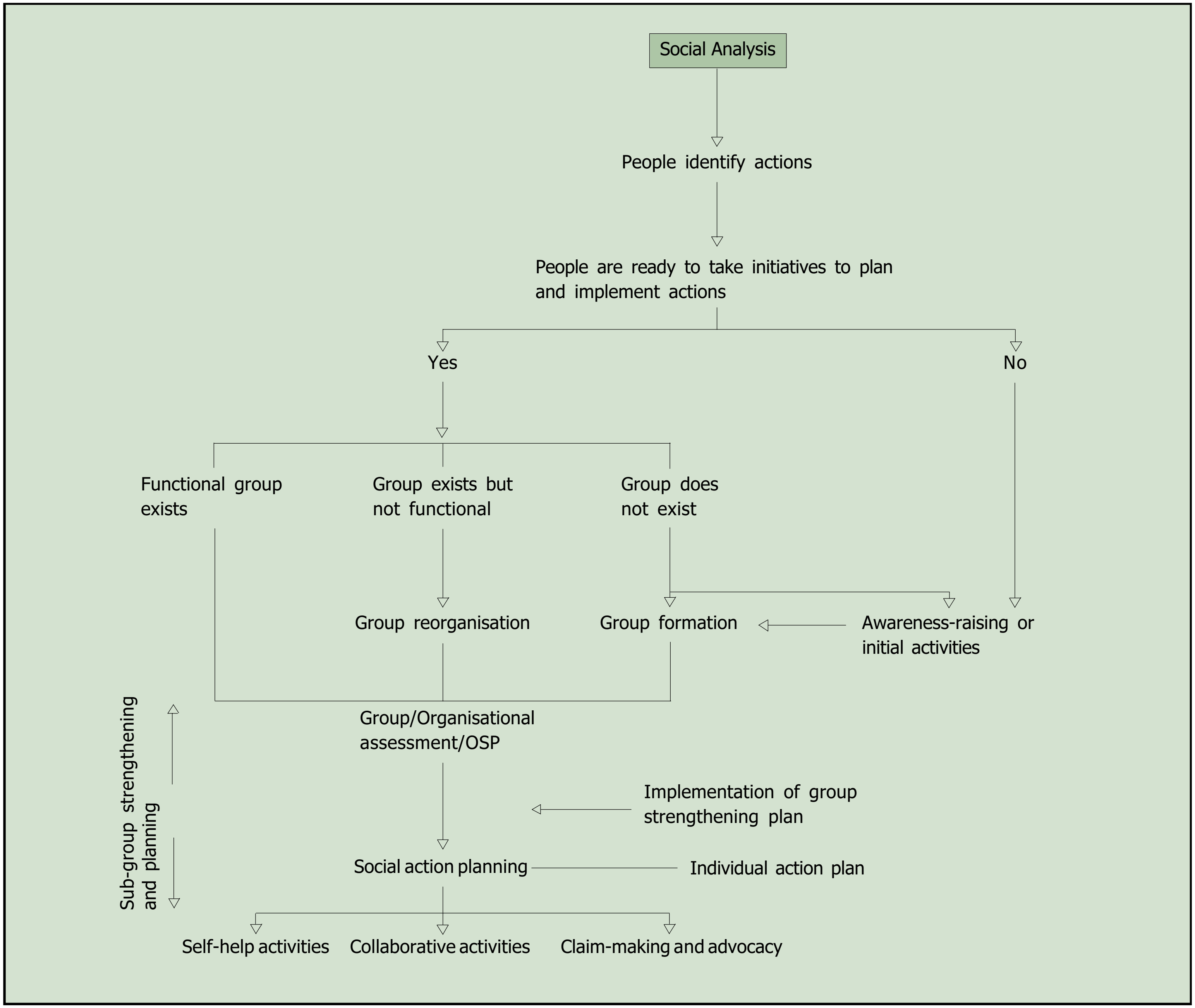
Step 7: *Develop a group strengthening plan and implement it*. Participants themselves should decide who joins the groups, who leads them, what rules they will follow, and what activities they will undertake. The group can develop criteria for membership into sub-groups based on types of activities. Decisions should be taken by consensus or a majority vote. Facilitators should ensure the participation of marginalised and disadvantaged people in the group processes.

Members of the sub-groups should preferably live under similar economic conditions and have close sociocultural affinities. This allows for more trust among the group members, reduces potential conflict, and increases joint liability. The group strengthening plan must preferably include training on group dynamics and planning skills.

Step 8: *Develop social action plans*. It is envisioned that the overall group plans and implements several activities over time that benefit different members, without the need to form separate new groups. This is achieved by incorporating the democratic practice of operating sub-groups within the larger group, according to specific needs and interests.

Sometimes the community may plan the social actions and self-help activities without forming groups. Give attention to the lack of mobility of women.

Description of Major Steps Involved in Social Analysis, Group Formation, and the Group Strengthening Process



GUIDELINES

1. Social Capital and Group Formation refers to a network of people that share relationships and values. The process helps the community to use social capital constructively or create it, where it is lacking.
2. Awareness-raising activities help prepare people to organise into groups and can encourage a feeling of group solidarity. They can further identify points for collective action, and generate the necessary energy and motivation to implement them.
3. The ability of the group to plan and implement successful self-help activities without any outside assistance, is critical for how the group functions. The binding force in the group is the common activities that are continually planned and implemented. This does not necessarily mean there is a single activity for all groups. Experience suggests that savings and credit can function as a focal point to organise people, and it can gradually expand to a broader set of activities.
4. In most cases, the formation of viable and stable groups takes two to six months. In order to maintain the interest of members, facilitators should make sure that the process is not hurried or extended for too long.

Stage IV: Social Action

OVERVIEW

While stage III ends with analysing a group's problems, stage IV begins by identifying the potential within a community. By now, a group has been formed based on the issues and points of action identified during Social Analysis.

The nature of group action depends on the findings of Social Analysis that reflect the needs, desires, and capabilities of the group. The action might include both self-help initiatives and advocacy. In this stage, the SM process has reached a point from where Social Action can be planned and implemented effectively.

Social Action

- *helps groups to effectively plan actions and implement them for common benefit;*
- *increases the confidence and capacity of the group to plan, implement, and monitor group action; and*
- *helps improve the livelihoods of the people assessed.*

METHODOLOGY

Step 1: *Organise planning workshops with group members*. During the planning workshops, participants should prioritise the problems and issues identified. They should ensure that all the stakeholders' issues are addressed and involve all of them actively in the planning process. In order to address the problems and issues, participants should analyse and prioritise solutions, potentials, and opportunities, as well as assess the resources available both internally and externally.

Step 2: *Formulate the action plan(s) during the workshops*. While formulating the action plan(s), the following components should be emphasised:

- describe problems and their effects; for example, who they affect, how acute are they, their duration, etc; and
- state the reason why these problems should be solved. This should clarify why the project is needed and will serve as an awareness-raising tool. The description of the problems should delineate the beneficiaries and sub-group members who will implement the project.

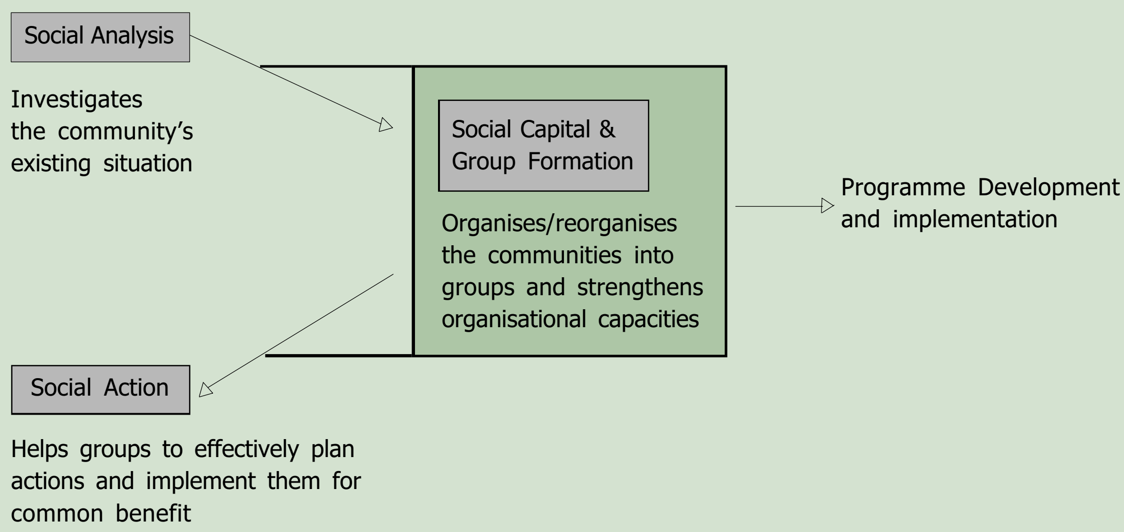
Step 3: *For the action plan, set clear objectives*. State the results for each planned activity and try to formulate objectives, which are specific. For example, instead of writing 'the objective of this project is to increase the capacity of the group members in business planning', write 'by the end of the project, 15 group members will be able to formulate business plans as individuals.' If the objective is of a qualitative nature, such as changing attitudes toward women, try to specify the behaviour the group would like to change. Take into consideration that as the group gains more experience, its objectives may become more comprehensive and complex.

Step 4: *Determine resources and budget*. List the resources required for the project such as people (time, labour, ideas, advice, contacts, leadership, and other support), materials, equipment, facilities, technical advice, and funds. Separate the resources available locally and those that must be obtained from outside. Specify the sources or resource agencies that the group can approach. If outside resources are not available, prioritise activities that can be carried out with local resources. Participants should prepare a budget clearly stating input from local sources and outside.

Step 5: *Outline the time frame and responsibility plan*. Outline a realistic time frame for completing the activities, which should indicate when, or during which period, each activity will be carried out and completed. While doing this, consider the triple burden on women and assign a person to be responsible for implementing each activity. For this, organise informal meetings with individual members to initiate implementation of the project.

Step 6: *Implement and monitor the activities*. Start implementing the work as planned. Conduct regular meetings to review outputs, progress, and problems and ensure a regular supply of materials and technical support. Assign the responsibility of supervisor to members and leaders and set a monitoring and evaluation plan for programme assessment.

Key Links of Social Mobilisation



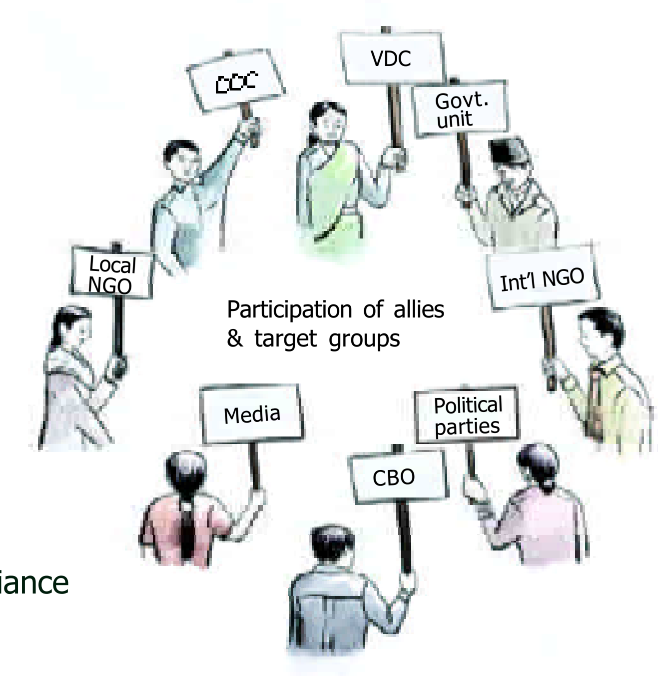
GUIDELINES

1. During stage IV, the group identifies the issues that can be addressed through self-help activities. These may be based on a single issue, or a more complex plan dealing with multiple issues. They may contain concrete actions of a practical nature or larger, more strategic goals. The action might be completed in a short period, or may comprise of plans that require a longer period.

2. New groups may begin with simple, small plans and gradually undertake more complex ones, as they develop their capacity. Stage IV is when themes such as governance, economic opportunities, natural resource management, and women's rights' advocacy may be linked with the group's activities.

3. Criteria for prioritising problems should include the number of people affected; the negative impact of the problem on the poor and disadvantaged people; and how the problem negatively affects women and children. Criteria for prioritising opportunities should include the possibility of implementing opportunities through self-help efforts; possibility of carrying out plans with minimal resources from outside; and people's willingness to make local resources available and/or to approach outside resource agencies.
4. For monitoring and evaluation, set output indicators for all activities. Indications of gender relations are important. Plan regular meetings to review accomplishments of the project and set outcome indicators that match the objectives as much as possible.
5. Facilitators should visit the group regularly to discuss activities, provide help to resolve problems as soon as they surface, and encourage groups to take action.
6. Finalise the group action plan and format it like a proposal. This can be submitted to various agencies that can be approached for financial and technical assistance. These include VDCs, DDCs, community funds, and other agencies.

Use of Tools
Preference ranking



Stage V: Alliance Building

OVERVIEW

Social alliances are built in stage V of the SM process. During this stage, groups (CBOs and NGOs active at the local level) can be organised based on various issues and actions that will deliberately build alliances, so that they can access support from time to time. Community groups can form alliances with other social partners, who play key roles, such as the media, teachers, educators, and their organisations. This stage can be seen as a higher level of the Social Capital and Group Formation process.

Alliance Building
- *establishes linkages to alliances of various groups and agencies that will assist groups to attain their social goals;*
- *develops an enhanced capacity to build social alliances; and*
- *forms both horizontal and vertical linkages with agencies to mobilise external resources and make advocacy more effective.*

METHODOLOGY

Step 1: *Prepare a list of organisations and agencies with similar goals and objectives*. The table on the next page lists the possible social alliances for community groups to assist them in the task of SM. This step should help participants to identify/decide the kind of organisations they need to work with.

Step 2: *Call meetings with local community groups to build federations and coalitions*. Coalition is defined here as groups working in a coordinated fashion towards a common goal. Coalitions can come in the form of federations of community groups and women's interest groups at the village and higher levels. The coalition may be formal or informal and based on a single issue or many issues. It can be permanent or temporary.

Step 3: *Develop a coalition plan*. Coalitions can constitute a critical force; they make programmers effective and help them make claims to other organisations and the government. A prerequisite for a coalition is that its members work toward the same objectives. Their shared experiences can help publicise values and norms to make stronger claims. Develop an action plan with the coalition or federation members to generate resources and other support for the proposal plan prepared by the group.

Step 4: *Prepare a list of resource agencies outside the community*. It should include local government representatives, donors, and government agencies, and categorise who can contribute to the process and in what way.

Step 5: *Meet the resource agencies*. Depending upon the issues, resource agencies may be either allies or targets for advocacy. For example, political parties and government bodies are often regarded as targets of SM and advocacy due to their existing functions. The process of forming social alliances can aim to change the government from being the target of SM and advocacy to becoming a player. This can help the government to be less arbitrary, more accountable, and more bounded by law.

Step 6: *Invite the resource agencies to take part in the community group network*. A network is a forum through which individuals and organisations assist one another and establish relationships with outside institutions, such as national government bodies, development agencies, and donors. A network can identify influential decision-makers and resource agencies that can help provide resources and other necessary support for the groups to attain their goals. Present the coalition's needs to the resource agencies for their contributions. Networks are more fluid and informal than coalitions and federations.

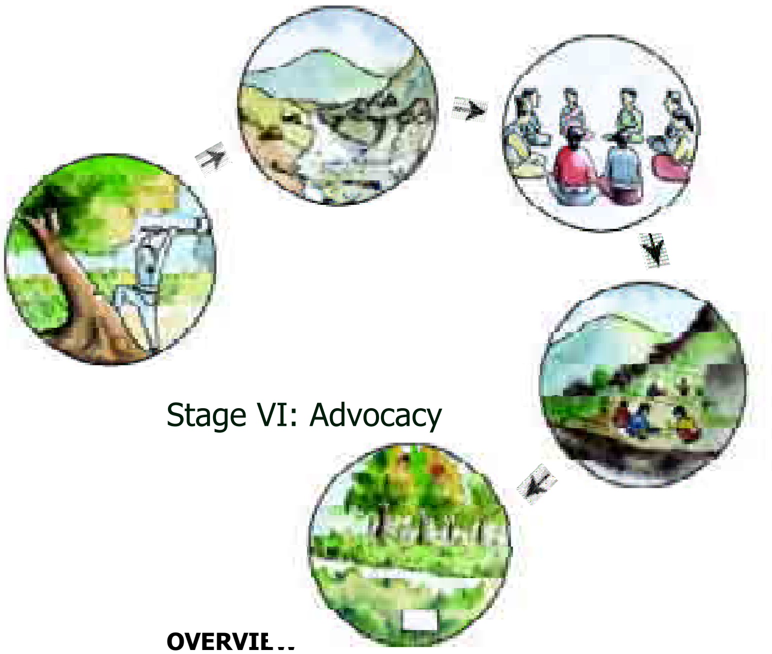
GUIDELINES

1. The methods for creating and managing alliances, coalitions, and networks depend upon the context and style of the actors involved. Coalition building at the local level involves linking groups and organisations for common objectives. Coalition management involves developing and implementing common plans.
2. Strategies to network with agencies outside the community are based on the identification of the needs and specific issues relevant to each potential network member. The strategies approach each member accordingly to elicit support for advocacy and ways to maintain and manage such networks.

Community Groups' Alliances for Social Mobilisation

Who are the allies and targets?	Why form an alliance with them?
Community groups and CBOs	▪ Learn from their past experience and expertise. ▪ Build a power base for making claims and advocacy. ▪ Increase solidarity and awareness to support programme goals.
VDCs	▪ Ensure local ownership. ▪ Mobilise local and outside resources. ▪ Ensure sustainability.
DDCs	▪ Ensure programme legitimacy. ▪ Provide funding and technical support. ▪ Influence government programme policy.
Government units	▪ Obtain an efficient service. ▪ Improve programme policy. ▪ Obtain legal recognition of the SM process and the group.
Local and national NGOs	▪ Develop local accountability. ▪ Build commitment. ▪ Build knowledge of community and decision-making processes. ▪ Work as an interface between groups and other agencies. ▪ Draw support for advocacy.
International NGOs	▪ Have experience and expertise in supporting community groups. ▪ Network with local NGOs and other agencies. ▪ Provide funding and technical and managerial support. ▪ Deliver services to the community.
Bilateral development cooperation, international agencies	▪ Provide funding and technical and managerial support. ▪ Strengthen links. ▪ Build goodwill.
UN agencies	▪ Provide funding and managerial and technical support. ▪ Strengthen links and goodwill.
Media	▪ Disseminate information. ▪ Help motivate and educate other people. ▪ Advocate the issues.
Political parties and parliamentarians	▪ Influence government bodies and communities as a pressure group. ▪ Advocate within political parties. ▪ Influence government policy-making.

Stage VI: Advocacy



OVERVIEW

Stage VI in the SM process is advocacy work. Advocacy means to draw attention to an important issue and direct decision-makers towards a solution. Advocacy puts the problem on the agenda and ideally provides an alternative or a solution to problems. It builds support for acting on the problem and its solution.

Advocacy

- *provides support for groups and organisations to inform and educate policy- and decision-makers.*
- *enhances the group's capacity to advocate issues independently; and*
- *helps to reform existing programmes and policies.*

METHODOLOGY

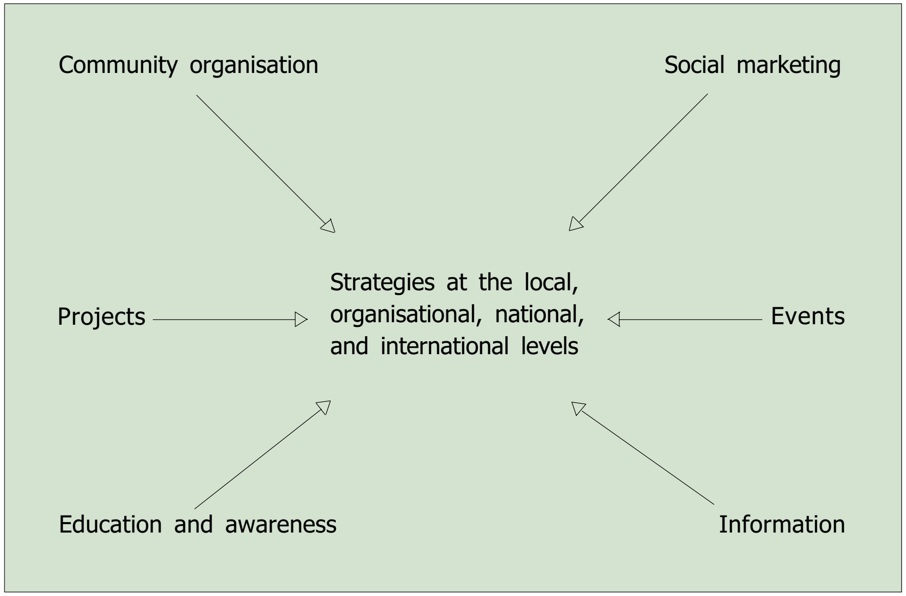
Step 1: *Select an advocacy issue from Social Analysis or other exercises*. Advocacy issues can be raised during the SM process when problems of poverty and inequality are identified. Identify solutions for the problem.

Step 2: *Carry out research to analyse the existing decision-making process*. Stage VI aims to influence policy, decision-making, and implementation by informing and educating leaders and policy-makers.

Step 3: *Identify the audience and develop advocacy messages according to the audience*. Advocacy consists of different strategies that aim to influence decisions made at the organisational, local, regional, national, and international levels. Strategies may include different components such as social marketing, information, education, community organisation, and others. Consolidate the activities of federations, coalitions, and networks based on issues.

Step 4: *Advocate and evaluate outcomes*. Effectiveness of advocacy can be measured by how groups reform existing policies, laws and budgets, or develop new budgets. Lessons learned during this step must be incorporated into the next group action and planning process.

Advocacy Components



GUIDELINES

1. Advocacy can contribute toward creating more democratic, open, and accountable decision-making structures and procedures. It helps local communities to understand the decision-making process better.
2. The contribution of women in advocacy may be minimal in the beginning. Women need to be encouraged because their participation will grow through small tangible successes.

Stage VII: Social Reflection

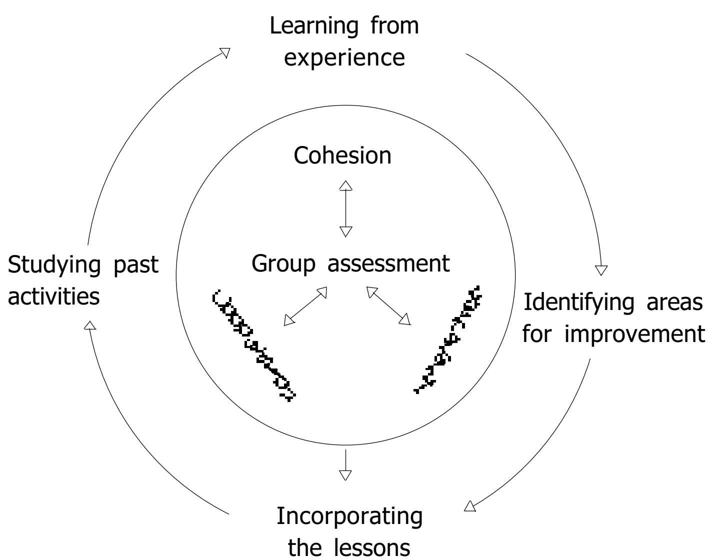
OVERVIEW

Social Reflection relates to several stages of the SM process. Initial plans of action and group strengthening might not be adequate to address the root causes of problems, or tackle all the identified needs faced by marginalised communities. A cycle of self-evaluation and reflection can allow these groups to enjoy their successes and critically reflect upon areas that still need improvement. Through the process of reflection, communities become more and more capable of transforming their lives effectively.

Social Reflection

- *helps the group recognise its capacities and become motivated to build on its successes and minimise its weaknesses;*
- *increases the group's capacity to carry out self-evaluation and reflection; and*
- *generates information to enhance advocacy for policies, programmes, and resources that improve the situation of the poor, disadvantaged, and women and children.*

A Cycle of Self-Evaluation and Reflection



METHODOLOGY

Step 1: *Discuss the objectives of Social Reflection and evaluation with the group*. The key feature of this stage emphasises 'participant-centred learning' rather than a traditional evaluation by experts. Participant-centred learning gives continuity to the action-reflection process and raises awareness among the people, so that they themselves can make necessary changes in their lives. This can contribute directly to strengthening the group's management capabilities.

Step 2: *Assist the group to prepare questions for participatory evaluation*. In participatory evaluation, the group decides what it should accomplish and how it should carry out its activities. Unlike in conventional evaluations, it emphasises the need for the group to set the evaluation criteria for itself that are accepted by all members as realistic and valid. Ideally, evaluation criteria come from the group members themselves; however, to facilitate the process, a checklist is provided in guidelines. The criteria can then become the basis for social learning, which can improve the group's capacity and performance. Allow the group to revise and finalise the questions.

Step 3: *Develop the methodology for the evaluation based on group assessment*. Group assessment provides feedback to facilitators to improve the training and other support efforts. It helps groups, projects, NGOs, and other stakeholders to achieve the following tasks:

- learn from experience to improve the relevance, methods, and outcomes of the SM process;

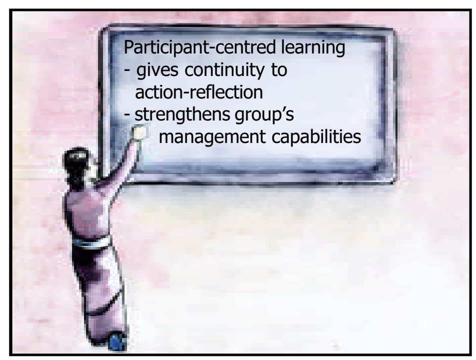
GUIDELINES

1. Checklist for Evaluation Criteria
   Social analysis: design process, content of analysis, people's involvement, identification of beneficiaries and issues.
   Group strengthening: internal organisation, management responsibilities, meetings and participation, operation of group, financial management, and gender relations.
   Institutionalisation: autonomy of the organisation, membership base, and capacity to operate independently.
   Linkage and networking: linkages outside programme developed and coalition within the community and region developed.
   Group actions: planning, self-help activities, resource generation, support from outside, coverage of activities, and advocacy programmes.
   Outputs and outcomes of group action: increase in income, benefit to poor people, improved technologies, assets developed, inequality reduced, and environmental management.

- strengthen their capacity to monitor and evaluate;
- improve the management of programmes, projects, and supporting activities and ensure optimum use of funds and other resources; and
- suggest action to policy-makers and managers in government and international development agencies.

Step 4: *Conduct the evaluation*. Groups critically reflect upon what they have done and identify any new information or skills needed. The SM process at this stage; therefore, brings groups to a second, higher level of functioning. At stage VII, focus is placed on the functioning of the group in terms of cohesion, cooperation, and interaction.

Step 5: *Determine the conclusions and learning*. Each aspect of performance and capacity should be assessed. The outputs and outcomes of the Social Action process should be reviewed in order to improve the socioeconomic situation of the people.



CHAPTER 2

Appreciative Participatory Planning and Action and People's Motivation

In APPA, giving space and creating opportunities to influence the decision-making process in favour of local needs and aspirations will, in the long-term, result in a more balanced and equitable form of development.

SNV is grateful to The Mountain Institute for allowing the use and publication of the APPA tool.

APPA

- *is the foundation of sustainable community participation;*
- *plans, assesses, and implements activities for building local capacities, especially of marginal and disadvantaged groups; and*
- *looks for sustainable linkages between economic development and conservation.*

Introduction

Experience has shown that one of the greatest causes of failure in community development is a lack of follow-up and commitment by the community members. Thus, Appreciative Participatory Planning and Action (APPA) aims to build commitment by seeking to excite, motivate, and reward participants with immediate positive feedback and, with hope that they can achieve a better future by themselves.

In order to give communities the chance to have control over their own development process and be active in decisions that affect their livelihoods, development initiatives need to be decentralised. Critical to this people-centred approach is the idea that activities, programmes, and productions are scaled down to a level at which community members are able to access benefits from them.

APPA allows communities and groups to identify and emphasise their successes and strengths as a means to empower them, so that they can manage their own development and make use of valuable local knowledge and skills.

The APPA Cycle

Stages	Objectives
Discovery	Identifies successes
Dream	Images your future
Direction	Marks out the future
Design	Plans the future
Delivery	Sustains the action and reflects on achievements

The approach makes use of a 5-D cycle: Discovery, Dream, Direction, Design, and Delivery.

Capacity building during Social Mobilisation is further strengthened during APPA. These include promotion of group formation, the group's working capabilities, a leadership structure, functioning committees, etc. Communities gradually develop their 'claim-making powers' and start positive actions to attain their goals.

APPA can be used to assist participants and organisations to develop marketing objectives and strategies that are critical to a project's success. It can provide a planning and management framework.

TURNING TRIBUTES AND ASSETS INTO ATTRACTIONS

APPA reveals new or unrecognised assets, because it often happens that we can get complacent about our immediate surroundings or routine lives, and take for granted or not even see the good things we have. It can help communities, organisations, or businesses identify what assets they have that could be developed as marketable commodities. When assets such as traditional architecture or rich forests begin to take on an economic value as attractions to tourists, local people start to see the value of conserving them. For example, through APPA, plans are made to assess the feasibility of 'producing and marketing' pro-poor sustainable tourism activities such as guided village tours or forest walks, and an action plan is developed to generate local benefits from it.

APPRECIATIVE INQUIRY

APPA combines the appreciative inquiry framework with participatory learning and action (PLA) methods. Appreciative inquiry is an approach that is used for planning and managing development programmes and activities. It looks at lives and environments as opportunities and possibilities rather than as obstacles. This is not to say that 'problem solving' is an irrelevant process, but rather one that can be supplemented by other approaches producing new insights and results.

Underlying the process of appreciative inquiry is a set of assumptions that guide practitioners and participants.

Appreciative Inquiry Assumptions

- In every society, organisation, or group, there is something that works.
- What we focus on becomes reality.
- The language we use helps us to see the reality.
- People are more confident and comfortable facing the future (the unknown) when they carry forward parts of the past (the known).
- If we carry parts of the past forward, they should be the best parts about the past.
- The act of asking questions of an organisation or group influences the group in some way.
- It is important to value differences.

Each of these assumptions drives the process of appreciative inquiry. For example, as facilitators, we accept the assumption that 'the act of asking questions about an organisation or group influences the group in some way.' You have to therefore throw out the idea of yourself as a neutral observer and realise that your very presence affects the group in some way.

The key to appreciative inquiry is to remain focused on collective inquiry and action and the collective discovery and value of skills, resources, and capacities. Focus should be on the collective vision of what might be, what is possible, and how it can be achieved. For this, one has to continuously ask questions: What makes our working together possible? What allows us to function at our best? What possibilities await that will allow us to go beyond where we currently are? What allows and stimulates an organisation or community to release its creative capacity?

The use of provocative propositions is another important element in appreciative inquiry. A provocative proposition is a statement in the present tense that describes 'what might be' based on the knowledge about the best of 'what is'. It is provocative to the extent that it stretches the realm of the status quo, challenges common assumptions or routines, and helps to suggest real possibilities that represent desired possibilities for the group or community.

Take for instance, the following statement: 'Maya is an abandoned wife. She needs a loan, education, and a profession.' The APPA approach instead says, 'Maya is a good cook and learns quickly. She can teach lodge operators to cook and will benefit from teacher training.' Here we see the shift in focus from 'doing more of what works' instead of 'doing less of something that does not work well.'

In order to visualise and summarise the appreciative inquiry approach, the problem-solving tree can be compared with a possibility tree. The cause-and-effect relationships that are identified in a possibility tree may contain the same results as in a problem-solving tree. However, the process of creating the possibility tree is more likely to get people excited about the future and the role they can play in realising that future.

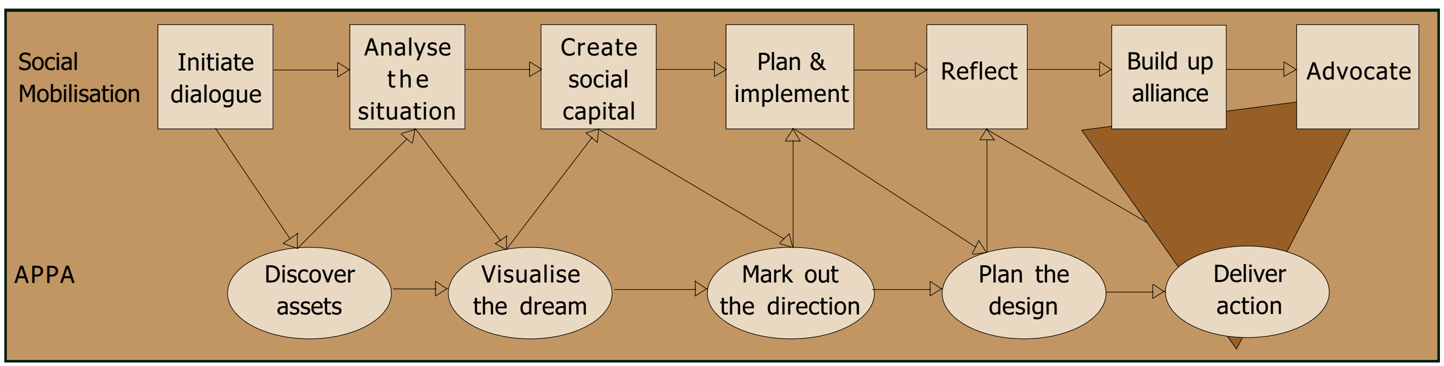
PARTICIPATORY LEARNING AND ACTION METHODS

Participatory learning and action methods generate information and empowers participants in a positive manner. Activities are based on the capacity, skills, and assets of participants and fully utilise their creativity and innovative powers.

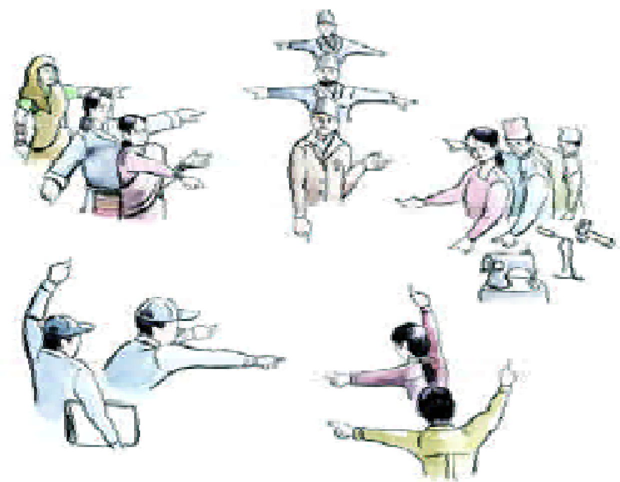
The aim of participatory strategies at the district, local, or community levels is to make people active participants in the development effort rather than passive recipients. More specifically, participation requires people to be in the choice, execution, and evaluation of any activity, project, or programme designed to raise living standards.

The selective use of PLA methodologies and activities is critical to the participatory process. PLA generates common understanding and shared learning among all those involved. PLA tools such as analysis group discussion and social mapping are used to generate information that is subsequently incorporated into the design and planning of projects.

Developing Claim-Making Powers (Advocacy and Policy-Making)



Note: most of the dynamics take place in the 'lobby triangle' between organised community groups, local governance institutes, and community-based organisations (CBOs)/non-government organisations (NGOs).



Discovery

- *appreciates the best aspects of a group's, community's, or organisation's existing situation;*
- *generates learning about current conditions, issues, trends, relationships, impacts, benefits, and market characteristics; and*
- *identifies and categorises success factors for use in feasibility analysis.*

The APPA Cycle

Stage I: Discovery

OVERVIEW

During stage I, participants identify their strengths and skills as individuals and recognise assets and opportunities in their community. They are given time to reflect on these issues as a group and bring together different perspectives for discussion in order to generate a complete and comprehensive list of the qualities the community feels proud of, but did not know existed.

Emphasis in this stage is on successes that can be strengthened, managed, and marketed to generate local benefits and that support the conservation of resources. The aim is to inspire self-pride and local initiatives, rather than nurturing dependence on outside resources.

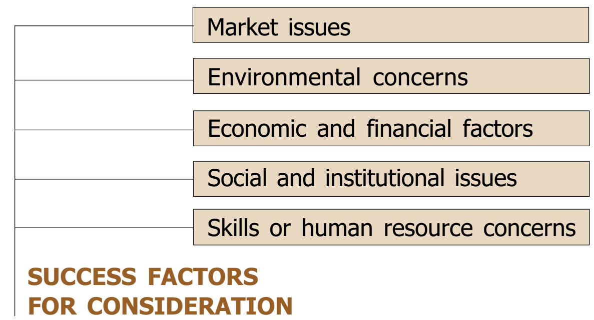
One can do this by looking at the potential markets for a product, and introducing marketing into the initial data collection and pre-planning activities. Simple data collection of analysis techniques, which can be used throughout the entire process, must be taught.

METHODOLOGY

Step 1: *Conduct a sharing session*. Encourage each participant to share something which they are personally proud of with the rest of the group. People divide into pairs and tell one another in turns things that they are proud of, either in their personal or work-related life. Each pair shares their partner's newly discovered strengths with the rest of the group. This is a good icebreaker for introducing participants to each other.

Step 2: *Conduct a brainstorming session*. This can be done with the whole group, or better, in smaller groups. Brainstorm pro-poor sustainable development assets: make notes on a large poster to share with the rest of the group. Participants are encouraged to be creative and extensive when identifying assets. Some of the basic questions to ask when brainstorming assets are as follows.
- What do you value about yourself, your group, or community?
- What attributes would you like to share with others?
- What human resources does the community have that are good for development?

Participants share their views. Conclude the session by asking how this exercise affected their feelings about their community and its prospects for pro-poor sustainable development. You might detect some pride among the participants when they describe the good things they have discovered about themselves, their group, and community. This is the feeling that needs to be nurtured throughout the APPA cycle and Discovery seeks to fulfil this objective.



Step 3: *Use a participatory learning approach*. This exercise can be used to identify what type of information (not what information) is needed to plan for pro-poor sustainable development. 'Planning' can be introduced to participants by involving them in the following activities.
- Selecting something that the community members are familiar with, for example, planning for a festival gathering or a large group meal.
- Making the participants work in groups to discuss what information is needed to plan for such an event.
- Encouraging women to participate in brainstorming sessions, especially in plenary groups, as they may be overwhelmed by more dominant members of the group.
- Giving attention to culturally and socially disadvantaged groups.
- List the types of information needed to plan for development.
- Asking participants to discuss and select appropriate PLA tools for information gathering (this can be done through a plenary session or in smaller groups). Participants should consider the issue of time, space, and relationships in choosing the tool.

Step 4: *Identify success factors*. Like any new venture, planning for development requires an analysis of factors, conditions, and issues that affected or influenced a project to become a success. These 'success factors' start to emerge during Discovery as participants discuss and characterise the positive attributes that make the community a suitable one. At this stage, one begins to organise what has been learned about the community into categories/factors that are needed for success to understand better the community's real strengths (and shortfalls). Factors can be organised in a variety of ways, but should generally cover the following topics:

- market issues (for example, current and potential markets, trends, competition);
- environmental concerns (for example, the demand for natural resources and potential impacts on natural resources);
- economic and financial factors (for example, the availability of capital and profitability);
- social and institutional issues (for example, social acceptance of and institutional support for pro-poor sustainable development and a policy or regulatory framework); and
- skills or human resource concerns (for example, whether community members have the appropriate skills needed for pro-poor sustainable development).

Step 5: *Categorise success factors*. Assets and learning about impacts, benefits, and market characteristics can now be categorised into a format that relates to success factors. The purpose of this exercise is to summarise the information, identify issues to be addressed, and create an easy reference chart for later use in the planning cycle.

Participants can be asked to organise and write what they have learned so far into the relevant boxes. The PLA tool on page 51 illustrates several success factors necessary for feasibility analysis though it is not necessary to stick to these selected headings if others are more relevant.

From this, one begins to see the opportunities for sustainable development in association with existing markets and skills, and understand some of the issues and gaps. Some information may not be appropriate factors for success. There may be constraints; more information might be needed on an issue. If such a case arises, this can be presented in the PLA tool in a manner that identifies what is known and what needs to be learned for follow-up later.

Step 6: *Reflect on how community members feel about the activities and outcomes*. Ask the following questions in a brainstorming session with the whole group or use other

Discovering 'Good Things'

Discovery is the collective identification and evaluation of the 'good things' about a community, such as pro-poor sustainable tourism assets. The following are assets and examples of pro-poor sustainable tourism.

Assets	Examples
Natural physicality, resources, and attributes	Mountains, forests, lakes, hot springs, holy sites, alpine landscapes, etc.
Historical information, cultural sites, and traditional practices	Local food, dress, ornaments, herbal medicines, local legends, and festivals
People's skill and knowledge and use of technology	Local knowledge on plants and animals, medicinal plants, the extraction of herbal oils, weaving, and carving
Existing tourist attractions or activities which are popular or well-known	Places both within the immediate and wider areas and having national or international recognition
Location, accessibility, and proximity to other tourism sites	Distance from city areas, road conditions, daily flight services, well-marked trails, telephone services, availability of porters and pack animals for treks, and build-up of potential regional assets
Opportunities for promoting small-scale tourism enterprises	Off-farm activities that generate income to support tourism services, training that develops skills and capacity building, creation of a cultural museum, etc.
Access to financial assistance or resources	Availability of credit facilities, potential joint investments, savings' and credit groups, etc.
Local institutions and their capabilities and alliances	Active NGOs that implement effective social mobilisation, a good networking, active mother groups, etc.

feedback mechanisms (for example, anonymous feedback through writing such as 'graffiti').

- How did it feel to recognise the group's or community's good things (emphasising the emotions or reactions the participants had) together as a group?
- How did the exercise of focusing on strengths (i.e., 'what makes them proud') affect their attitudes about the community, its people, its natural environment, and its institutions?
- How did they feel about participating in the learning exercise, doing the work themselves, and learning new skills?
- How might they use these skills in other ways?

Peoples' abilities to respond to such questions and to participate in a participatory learning approach may vary considerably in different cultural and socioeconomic contexts.

GUIDELINES

1. Understand the natural, cultural, and human resources; socioeconomic characteristics; and institutional alliances in the area.
2. Gain knowledge of past and present trends in development, impacts, and its relationship to other socioeconomic, environmental, and policy factors.
3. Identify natural resource uses and issues related to development, food security, and economic opportunities.
4. Document baseline information useful for planning, managing, and monitoring pro-poor sustainable development.
5. Develop a shared appreciation of the community's qualities, attributes, and assets.
6. Introduce the relationship between conservation of natural and cultural resources and local benefits for marginalised communities.
7. Initially identify and classify marketing, environmental, financial, and social factors and skills available or 'success factors'.
8. Initially assess community-level market issues and trends.
9. Improve community skills in participatory learning methods and improve understanding of the value of a participatory learning approach.
10. Nurture confidence and pride in the community and emphasise women's participation.

Use of Tools

By using mapping, trend lines, Venn diagrams, and feasibility analysis format, participants develop the framework and collect the information needed for the next steps in planning. This provides useful baseline data for monitoring and managing a project.

Feasibility Analysis Format

Success Factors	Issues	Questions
Market	▪ Market potential (whether there is demand or whether the product/service can be supplied over time) ▪ Competition (How much? From where? What is it?) ▪ Constraints in marketing the product or service ▪ Current marketing channels ▪ Potential strategic alliances and partnerships	▪ What is the level of demand? What changes in demand have there been over time? ▪ What is the level of supply? What changes in supply have there been over time? ▪ How has the product/service changed? ▪ Is the product/service new? ▪ Is the market to be expanded or created? ▪ What are the present constraints in marketing the product? ▪ What are the current marketing channels? ▪ What are the potential strategic alliances and partnerships?
Economic/ Financial	▪ Contribution to the economic and social welfare of the community ▪ Profitability (contribution to incomes) ▪ Constraining factors ▪ Facilitating factors ▪ Return on investment	▪ Will the economic output serve adequately to distribute more income to more families? ▪ Is financial investment needed? How much? ▪ Are funding sources (loans and grants) available? ▪ What is the capacity for financial planning? ▪ Can you estimate the return on investment?
Administrative/ Managerial	▪ External linkages and supporting organisations ▪ Internal organisations	▪ What are the supporting organisations and decision-making structures? ▪ Who will the actual implementing organisations be (community-based organisation (CBO), district-based NGO, Village or District Development Committee(DDC), or private entrepreneur)? ▪ What will the structure of the organisation be?
Social/Institutional/Policy/ Legal	▪ Policy support ▪ Regulations (example, fees and permits) ▪ Social acceptance ▪ Gender	▪ What are the legal requirements? ▪ Are there any potential conflicts? ▪ What are the gender implications of the activity?
Skills/Resources/ Technical	▪ Skills available ▪ Technology and resources (type, availability, and necessity)	▪ What skills are needed? ▪ Who has these skills? ▪ Where can skills be improved? ▪ What resources are needed? How much? Check availability (for example, land, machinery, time, money, people)
Environmental	▪ Availability of the resource ▪ Inputs needed (for example, energy) ▪ Nature of positive impacts	▪ What are the ranges and sources of impacts? ▪ Are any mitigation measures needed? ▪ What is the contribution to conservation?

Stage II: Dream

OVERVIEW

In stage II, participants collectively visualise how they would like to see their community develop in the future, benefit from a project, and how they, as a community, can achieve the Dream by building upon the strengths, skills, assets, and opportunities identified in Discovery. These qualities assist to create the best project possible, and the collective vision is a vital aspect of the APPA cycle.

For many rural communities, a vision of their community in 10 years is appropriate, whereas longer periods (20 to 30 years) may work for organisations or businesses attuned to long-term planning.

Dream

- *defines what the community sees as the desirable form and characteristics of pro-poor sustainable development in the future;*
- *records a visual image of how pro-poor sustainable development will be developed and managed in the future; and*
- *identifies potential dreams through consensus.*

METHODOLOGY

Step 1: *Introduce the practice of dreaming.*
- Review the 5-D cycle and the function of Dream.
- Explain the concept of Dream within the social and cultural context. To illustrate the concept of Dream, recount stories of how shared positive dreams can motivate a group to act and achieve results.

Step 2: *Start the dream.* To start the process, ask participants to close their eyes to help them focus on the Dream and the process of dreaming. Lead them through a guided inquiry into their dreams, telling them to visualise the Dream scenario. They should create a clear picture in their minds of the Dream and can be asked to draw a picture of it to share descriptions or details with others.

Use 'what if' questions to stimulate their imagination, for example:
- What if you were to go away from this area for five years, and when you returned, all pro-poor sustainable development assets were well managed and developed? How would it look?
- What are the local men and women doing?
- Do people have enough food to sustain themselves? What are they eating?

Encourage participants to be as descriptive and graphic as possible in order to portray specific pro-poor sustainable development qualities, activities, services, and skills.

Step 3: *Identify potential dreams through community consensus*. The process of creating the Dream requires consensus. This is neither achieved instantly, nor with any particular formula. Much depends on the level of the participants' awareness about the objectives of sustainable development, their general compatibility, degree of common values, and widespread participation.

When encouraged to dream vividly of their future community, participants often produce long lists of dreams. Some may be conditions such as healthy forests for sustainable fuel, some may describe the community's role and how it will be involved in pro-poor sustainable development, and others may represent community wishes such as schools, health posts, or electricity.

Step 4: *Reflect on the dream exercise*. At this point in stage II, consider inviting a larger representation of the community into the forum, so that they can cross-check and begin to build up ownership of the Discovery and Dream outputs. Participants may want to organise a community meeting and present what they have done so far for discussion, comments, and improvements. It is essential to hold a feedback session so that participants can reflect on the Dream exercise and reinforce the appreciative inquiry and participatory learning approaches.

GUIDELINES

1. As the Dream is the basis and inspiration for the plan, it is important that it is unambiguous, has widespread support, and is grounded in what currently works (strengths, skills, assets, and opportunities).
2. Positive imaging is a powerful tool frequently used to motivate improved productivity and commitment in organisational development and business management.
3. Be aware of the risk of individuals focusing too much on their personal aspirations and not on the group's goals. Activities should be done with clear objectives and explanations.

Use of Tools

The use of PLA tools is particularly helpful to develop and discuss the collective Dream. Brainstorming and cluster techniques provide helps to develop shared dream images. Future trend lines, mobility map, and Venn diagrams are useful to help participants discuss and represent the time, space, and functional (including gender) relationships between various aspects of the Dream. Pictures and maps are good at representing clear physical and visual aspects of the Dream, but they may need to be enhanced with words to describe non-physical components.

Stage III: Direction

OVERVIEW

Stage III involves a process of dialogue, consensus, and further inquiry. The focus is on prioritising pro-poor sustainable development and analysing information for the selection of viable activities or services.

Direction clarifies and clusters the dreams identified in stage II into potential activities that can be developed. This will help to eliminate pro-poor sustainable development activities and other community development needs that do not directly meet pro-poor sustainable development objectives.

In Direction, objectives of the programme and entrepreneur's window are two key assessment frameworks that help the process of elimination and prioritisation.

Direction

- *assesses dreams against the objectives and eliminates ideas that do not meet these objectives;*
- *directs participants to the most viable ideas; and*
- *helps participants focus their energy, efforts, and resources on these viable ideas.*

METHODOLOGY

Step 1: *Clarify and cluster dreams*. Dreams need to be clarified, clustered, and rephrased into pro-poor sustainable development activities, other conditions, and community development needs. Discuss whether the dream falls within the following categories:

- a pro-poor sustainable development activity;
- a condition necessary for pro-poor sustainable development (such as a healthy forest); or
- an unrelated or indirectly related feature of community development (such as schools or health posts). This category will most likely fall out in the elimination process of Direction.

Step 2: *Define objectives*. A useful way to discuss and prioritise the variety of potential pro-poor sustainable development activities or services is to first engage in a discussion about their contribution. Remember that these may vary from situation to situation. Be clear about the objectives and facilitate and guide the discussion around relationships between potential activities/services and objectives. In the case of pro-poor sustainable development, the following are possible objectives.

Poverty alleviation. Activities and services will contribute to alleviating poverty in marginalised communities, if they fulfil the following goals:

* they target and ensure the inclusion of marginalised communities in pro-poor sustainable development enterprises; and
* they ensure the equal and shared distribution of economic benefits of development to all the stakeholders.

Participation. Planning and management are based on the participation of community members who can mobilise local skills and resources through activities such as participatory learning and cost sharing.

Conservation. Activities and services can contribute to conservation of resources through a change in practices that reduces the threat upon natural resources. For example, establishing a kerosene depot that reduces the use of fuel-wood, or active conservation of a site which results it in becoming a tourist attraction.

Economic development. Activities and services can contribute to local economic development through increased revenues and profit from existing and new services and products for economically weaker sections of the community.

Gender equality. Ensuring the active participation of women in pro-poor sustainable development enterprises and services.

Step 3: *Analyse information using a matrix table*. Information can be analysed and organised by filling in a matrix table (page 56) that lists potential activities and services on one side and objectives along the top. The boxes in the matrix are filled with the following information:

- key points emerging out of the discussion and the strengths of each activity or service in terms of their contribution towards each objective;
- areas where the contribution toward the objectives is questionable and potentially negative; and

Techniques for Eliminating and Prioritising

- Apply a simple ranking system to the positive contributions of each activity to each objective (high = 3, medium = 2, low = 1) and pursue a discussion over whether a potential and likely negative contribution is reason enough to eliminate an activity (for example, conservation issues);
- consider requirements or stipulations imposed by funding agencies involved in pro-poor sustainable development at the site;
- use time as a parameter to decide how to prioritise activities and services — for example, estimate how long it would take to develop a programme and whether there would be funding available for the duration; and
- consider a critical feature such as national policy or regulations that would severely constrain the success of the activity or service.

- comments and observations such as whether more information is needed that would help communities and other stakeholders to decide whether to pursue the activity or not.

Step 4: *Assess dreams against objectives*. After completion of the matrix, discuss which activities need to be eliminated from the plan for sustainable development, because they do not meet the objectives. In some cases, the choices may not be clear and, it may be necessary to collect more information to help make a decision.

There is no objective or quantitative way to eliminate activities and services at this point. A discussion about the contribution toward the objectives should; however, help clarify some issues. Additionally, if a long list of activities still exists, the task can be more manageable if the following tasks are carried out:

A Matrix of Pro-Poor Sustainable Tourism Objectives and Potential Activities/Services

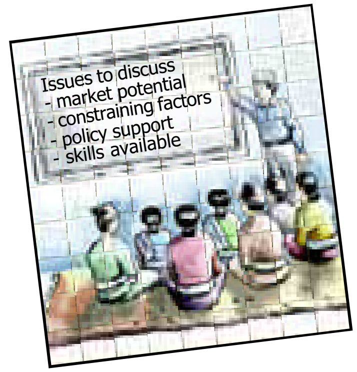
Activity/Service	Poverty alleviation	Participation	Conservation	Economic development	Gender
Opportunity Multiple-use visitor centre to be established near the airport	▪ Employment generated for local people ▪ Engagement of local guides ▪ Sale outlet for community tourism products	▪ Community management of the multiple-use visitor centre ▪ Local finances to support visitor centre	▪ Through visitor education, visitors are informed about how to minimise their impact and about responsible practices.	▪ More days are spent in the area. ▪ Visitors are given more information, thereby benefit-ting local people.	▪ Women are involved in many household chores and are enterprising.
Constraint General inexperi-ence in operating a multiple-use visitor centre and therefore viability unknown	▪ Need to learn more about the local skills and the capacity of local people to operate the multiple-use visitor centre ▪ What local people will do off season and the season during tourist arrivals	▪ How should the benefits be distributed?	▪ Local people operating the multiple-use visitor centre require skills and knowl-edge.	▪ Market interest is Unknown.	▪ Women are mostly illiterate and their level of interest is un-known. ▪ Women are busy and the time required to be involved in a multiple-use visitor centre could be a constraint.

- similar or related activities/services clustered into a group;
- or clustered roughly into time periods for planning purposes, for example, one year, three years, and 10 years.

Step 5: *Select viable activities*. The output of this exercise should be a list of possible pro-poor sustainable development activities and services that can potentially be implemented during a specified duration and that will be assessed further for their likelihood of success. The choice of activities is determined by the following aspects:
- their contribution to the specified objectives of pro-poor sustainable development;
- time and funding parameters that either eliminate activities or help participants prioritise and schedule activities over a longer duration; and
- an assessment of activities based on relevant national policy and regulations.

After eliminating activities that do not meet objectives and/ or would be unsuccessful because of funding, policy, and time constraints, participants are now ready to take the next step. While examining the particular opportunities that are open to them, participants identify the risks associated with the options and consider strategies to overcome these risks. Please refer to the table on page 58.

Step 6: *Assess options for products and markets using the entrepreneur's window*. The entrepreneur's window provides a framework to identify options for new products and market developments. Participants work together to determine the opportunities that current activities and services satisfy and could satisfy in the future.



- Draw a box with four windows on a large piece of paper or on the ground. Give titles to each window.
- Discuss the following questions with the group (or work in small groups and aggregate the findings at the end).
  * What products or services go in each window;
  * the potential profits and risks associated with each option; and
  * how these risks might be addressed, for example, timing and resources.
- If there are many products or services, divide participants into smaller groups and give each group different sets of products and services to work on.
- It is likely that participants will need to learn more about the risks associated with developing each option. Discussions are usually very rewarding and introduce the concept of risk, especially in the context of scarce and limited resources.
- At the end of the risk assessment, participants should consider the following issues:

* whether certain products or services should be eliminated and why;
* whether certain products or services need to be developed over a longer period than originally intended;
* what needs to be learned further in order to develop the most viable products and plans; and
* how they might learn more about the key issues that will help them to decide.

A common issue that emerges during this step is the need to conduct market research in order to identify the following aspects:

* who will want to buy a community's products and services;
* how many potential and real clients there are that a community can target; and
* how much of the product needs to be available, while still addressing the issues discussed earlier.

After gaining a better understanding of the issues, you may want to go back and change the window if needed.

Step 7: *Review the results of the entrepreneur's window with participants*. For this, use the following exercise:

* examine the contents of the window or windows of options;
* review the strategies or ideas to reduce the level of risk; and
* obtain a consensus regarding areas where participants need to learn and gain more knowledge.

The Entrepreneur's Window

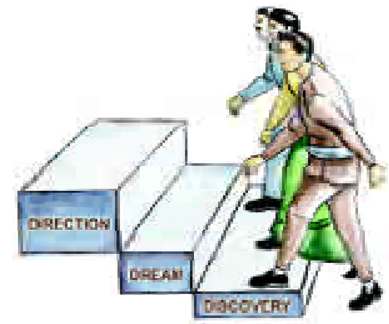
Option 1: Existing product/existing market This involves selling more of the existing product to the same market of consumers, i.e., getting more of the same type of customers such as independent travellers to go on an existing trekking route.	Option 2: Existing product/new market This involves finding new markets or types of consumers for the existing product, i.e., in addition to the existing customers, finding new types of customers such as domestic visitors and groups to go on existing trekking routes.
Option 3: New product/existing market This option seeks to find new products for existing customers, for example, new trekking options for independent travellers.	Option 4: New product/new market The highest risk option, this seeks to develop new products for new customers. Often the highest risk is to develop a new product and find the market for it, for example, trekking in new areas.

GUIDELINES

1. Review the list of Dreams developed by participants and discuss each Dream image so that everyone is clear about what exactly it is. Dream images that are similar are clustered to avoid duplication. Link those that are closely related. Be careful not to over-generalise; however, Dreams should be detailed and tangible.
2. Dreams should be clustered or rephrased so that they are clearly in one of the three categories mentioned in step 1. Discussions may arise to differentiate between activities and conditions. This is where facilitators must clarify the scope of the planning exercise.
3. During the selection of viable activities, it is useful to distinguish between enterprise and non-enterprise activities, because each set will probably need to be treated differently.
4. Refer to Chapter 3, stage III for profit and risk analysis.

Use of Tools

Matrix table, simple ranking system, and the entrepreneur's window



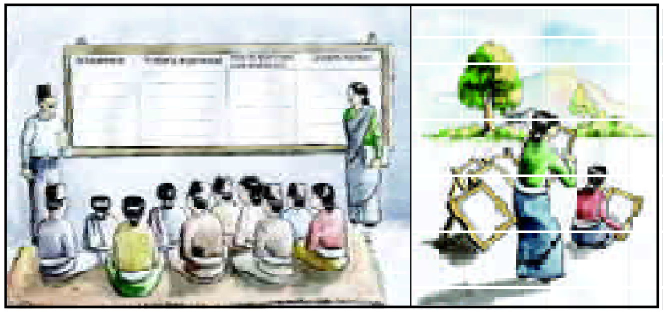
Stage IV: Design

OVERVIEW

Stage IV discusses the key factors that will form the framework for deciding and prioritising pro-poor sustainable development as a strategy for development. It refers to the success factors identified in Discovery, which are assessed again and again.

Design identifies areas that require further investigation. It suggests participatory learning and action tools (page 64) that help collect data to address key gaps in information. Based on the final assessment, facilitators and participants can work towards developing a strategy and formulating an action plan(s) as well as monitoring and evaluation plans.

Design
- *builds up information areas through the assessment of success factors;*
- *uses the information to prepare a list of the most viable products and services; and*
- *results in an action plan or a series of action plans.*



METHODOLOGY

Step 1: *Categorise information areas*. At this point, participants will have ideally identified potential topics and issues (issues/questions from the feasibility analysis format) that need more information. In most cases and for the purpose of a systematic approach to strategy development, information is again grouped into the major topics (refer to stage I, step 4):

- market issues (products and customers);
- conservation and environmental concerns;
- economic and financial factors;
- social, institutional, and policy factors; and
- skills and human resource concerns.

Additionally, facilitators may want to group activities together to make the process more manageable. If enterprise activities have been separated from unrelated non-enterprise activities, it will be useful to include the latter at this point and conduct an assessment of success factors for these activities. Much will depend on the role of the facilitator(s) and other aspects such as:

- funding;
- availability of time, and finding time when community members are free;
- building confidence by doing one or more small-scale activities immediately or soon after initial interaction among stakeholders; and
- the perceived importance of pro-poor sustainable development in the local economy.

Step 2: *Assess success factors*. In order to conduct the initial assessment, it will be necessary to gather information to help participants engage in informal discussions. Facilitators may want to break this step down into smaller steps.

Option 1

- Initiate preliminary discussion among community members to obtain perceptions and identify issues where further information is needed. An initial ranking (refer to guidelines) might be useful with an overall total and an identification of key gaps in information.
- Based on the above findings, gather more information and conduct further assessment of success factors that may lead to an action plan.

Option 2

- Discussion and ranking as in option 1, along with identifying key gaps in information.
- An action plan with some immediate activities that include ones that address information gaps and further learning necessary for stakeholders to develop services.

An initial assessment can be conducted using a format similar to the table on the next page that relates to sustainable tourism and guidelines/questions as shown in the table on page 63. Questions overlap with the table on page 51 as a means to review and revise feasibility analysis. Make full use of assets already identified from Discovery; this will help build confidence among participants.

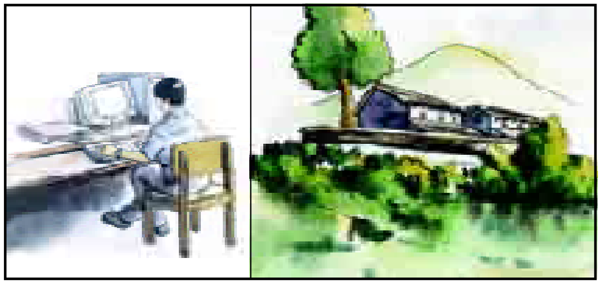
Step 3: *Collect more information on success factors.* The tools identified in the table on page 64 will assist facilitators and participants to choose appropriate tools to gather more detailed information.

Step 4: *Develop a strategy for development.* A strategy is a description of the opportunities and constraints associated with the idea and addresses how the constraints can be overcome. In practice, this strategy is a summary of the previous activities in Design and serves to review and emphasise the learning and decision-making so far.

Step 5: *Formulate an action plan.* The action plan will guide activities for the duration specified and is designed to be informative and easy-to-follow. It builds upon previous steps and important elements include:

Assessment of Success Factors

Issues	Market	Conservation	Financial	Social	Skills & resources
Assets	▪ Growing numbers of domestic visitors	▪ Alpine meadows, bird life, forests	▪ Local credit groups and nearby bank	▪ Strong community spirit, local ethnic dance group	▪ Ex-hunters with wildlife knowledge
Information	▪ 60% of visitors are in groups and 40% are FITs. ▪ Group visitors spend US$ 3 to 5/day and FITs spend US$ 10 to 15/day.	▪ Lodges use 40 kg fuelwood daily and homes use 15 kg/daily.	▪ Three lodges have increased profits over the past three years.	▪ Lodge operators are organised in a committee.	▪ More than 40 bird species sighted in one day with binoculars.
Potential success factors	▪ Groups may be easier to attract and manage.	▪ Perhaps lodges can afford to convert to alternative fuel.	▪ Potential group package tours to boost group expenditures on site	▪ Lodges are interested in setting minimum prices.	▪ Ex-hunters speak English and have binoculars.



- active participation by community members and other stakeholders if possible; and
- basic questions of Who? How? By when? Where? What?

Depending on the nature of objectives and products, the action plan will vary according to the site, stage of development, and, often, the participants.

Facilitators may want to consider generating a series of small plans among interest groups that are consolidated into a larger group. This can increase active participation in planning and management as well as cover more activities.
- Reach an agreement about the action plan format. This should be prepared before the session starts.
- Guide the participants through the action plan format (refer to page 66) to familiarise them with the process. Remember to make use of the six helpers (Why? What? When? How? Who? Where?) to complete planning the action systematically.
- Demonstrate the process once and then hand over the pens to let the local people take over. Keep in mind the findings and outputs of the previous steps.
- When the action plan format is completed, discuss it among all the participants — there may be issues where opinions differ.
- Leave the plan with the participants or display it in a place where everybody has access to it or can view it.

Step 6: *Develop detailed monitoring and evaluation plans*. Action plans contain recorded success indicators, but it may be necessary to develop monitoring and evaluation plans and prepare sample formats for them. These plans generate more information about conservation and economic impacts and have the following purposes:
- to provide a rationale for participation; and
- outline key elements in the design of participatory monitoring and evaluating systems.

Participatory learning is a critical element in monitoring and evaluation, and participatory monitoring and evaluation contributes to the following factors:
- creates ownership, responsibility when collecting information, and confidence;
- provides timely, reliable, and valid information that may not be as statistically exact as formal methods, but accuracy can be improved through cross-checking;
- builds consensus, especially when participants work together as a team;
- builds skills and confidence among participants to make decisions; and
- uses local knowledge that may result in greater efficiency and learning.

The outcomes of participatory monitoring and evaluation initiate the 5-D cycle again, as participants are encouraged to rediscover the factors that lead to success and those that can be improved.

Assessment of Success Factors (with regards to marketing local products)

- Market issues
  Market potential (is there a demand and can it be supplied now and over time?) and competition (What? Where? How much?): what is the known level of demand and supply? How have these been changing over the past 10 to 20 years? What has changed in the product? What is the strategy regarding the mix of product and market? How does the product, activity, or service build upon known and valued assets? How strong is the competition?

- Conservation and environmental issues
  Availability of the resource and energy (over time and area) and nature of positive impacts: what are the range and source of potential impacts (over time)? What is the geographical extent of any impacts? What is the contribution of the product or activity to conservation? Do any mitigating measures need to be taken? Where? When? How? How does the proposed product, activity, or service build upon existing assets and values?

- Economy and financial
  Profitability (contribution to incomes), facilitating, and constraining factors: is financial investment needed? How much? From where? How does one obtain credit or loans? What is the community able to contribute? Is there sufficient collateral for obtaining loans? What is the general record of loan management among individuals and the community? What is the capacity for financial planning in the community? What is the general trend in profits in existing enterprises? How does the product, service, or activity build upon existing assets and values?

- Social, institutional, policy, and legal issues
  Distribution of benefits (direct and indirect), social acceptance of activity, supporting organisations, and structures: how policies (regulations, taxes, fees, and land tenure) will affect the development of the activity. Are there institutions and organisations that would support product development and management and how (resource management and arrangements, indigenous credit groups, or administrative units)? Are there any key conflicts that might affect the product? What are the key issues regarding social acceptance of the activity? Who will be the primary participants and beneficiaries? What will the marginalised community groups gain from the activity? How does the activity build upon existing strengths and assets?

- Skills and human resource issues
  Skills present and available (amount, where, and type) and technology and resources (type, availability, necessity): what skills are needed for product development and management? Who has these skills? Where can the skills be improved (for example, training centres or schools)? What institutions can provide these skills? What key resources are needed? How much? What is the availability (energy, machinery, land, and buildings)?

  In the assessment of the above success factors, unequal gender relations and cultural and social factors that create unbalanced gender relations need to be considered.

What to Measure: Selecting Indicators

An indicator measures change. It is not a target and; therefore, it is neutral, for example, an indicator should not be defined as 'an increase in…' or 'a decrease in…' It is a variable that helps to indicate whether or not progress is being made toward the objectives. Indicators should be as follows:

- quantitative and qualitative;
- minimum but sufficient;
- specific (who? where?);
- measurable;
- appropriate (scale, resources, and time); and
- relevant to all the stakeholders.

Types of Information and Possible Learning Tools for Design

Information and understanding	Learning tools
Market Demand and supply trends, seasonality, size and types of market, knowing competitors, comparing competitors, customer types and quantities, market linkages (local to international), product information, feasibility, and strategy development	Trend lines, seasonal calendars, brainstorming, matrices (ranking and pairwise), mobility maps, Venn diagrams, market chains, and force field maps
Conservation Threats (amount and source), location of resources, trends in use, removal rates, and preferences in resource use	Pairwise and matrix ranking, maps, mobility maps, trend lines, transects, seasonal calendars, brainstorming, and daily activity charts
Financial Sources and volume of funds, trends in profitability, types and acceptance of collateral, and sources of capital and investment	Brainstorming, mobility maps, trend lines, pairwise and matrix ranking, matrices, Venn diagrams, and wealth ranking
Social, institutional, policy, & legal Stakeholders (size, relationship, and gender), benefit of distribution to poorest strata, types of benefits, and decision-making arrangements	Venn diagrams, pairwise and matrix ranking, matrices ranking, decision-making chains, mobility maps, force field maps, daily activity charts, and wealth ranking
Skills and resources Types, location, and availability of skills; sources of training; and resources required (quantity, location, and availability)	Maps, brainstorming, lists, mobility maps, and pairwise and matrix ranking

GUIDELINES

1. To develop a strategy, we assess in detail the success factors that are likely to lead to successful pro-poor sustainable development. Although facilitators will have to use their expertise to guide the process of assessment and strategy development, they are unlikely to be experts in all key areas. Therefore, participants will need to consult knowledgeable people to help make decisions.
2. Ranking current levels of understanding and information may help participants assess the need for more work and the extent to which work can be carried out with available resources and time. Facilitators will need to be flexible when guiding participants through the steps that are the most appropriate for the context, and be aware not to push communities into activities when there is a degree of reluctance and indecisiveness. The issues can be ranked (high = 3, medium = 2, low = 1) to help prioritise the activity and identify gaps in information that need to be filled.
3. Depending on the number of products and the current level of understanding of the key factors, other PLA tools may be necessary before an action plan can be prepared. Alternatively, the first action plan may be one that seeks to address the gaps to complete a reasonable assessment of success factors. Facilitators will need to judge when to move to action and Delivery, rather than to continue with a planning phase.
4. Plans can be summarised by topic or time. Detailed information can be put into sub-plans that cover the topic or time period. It will be important for facilitators to tailor the plan and any sub-plans for tasks that have been identified. Guide participants through the process of understanding the value of planning, giving out responsibilities, and looking at resource availability.

5. The Design process can be iterative, requiring participants to go back and revise the action plans as they gather more information and learn about issues.
6. Monitoring and evaluation are critical components of any initiative and should be participatory.
7. Participatory monitoring is when participants continuously gather information and document learning processes over a period of time. This leads to regular assessment of purpose and enables community members to make adjustments and improvements in their practices. Monitoring provides and generates information for evaluation.
8. Participatory evaluation is when participants make a retrospective assessment of their performance and achievements at a particular stage. Useful criteria to consider when conducting participatory evaluation include:

- relevance (significance with respect to specific needs and issues);
- effectiveness (performance in relation to objectives);
- efficiency (rate and cost at which activities lead to results);
- impact (relevant ecological, economic, social, and political consequences); and
- sustainability (continuation of impacts after external support is withdrawn).

9. Facilitators should encourage participants to develop skills and relevant tools for monitoring and evaluation. The use of visualisation and diagrams to access change and progress is particularly relevant, since their use increases the opportunities for participation of those with poor literacy skills.

Action Plan Format

Activity	Purpose	Who	Where	When	Indicator	Resources (local)	Resources (other)
Skill development and training							
Income generation							
Institutional capacity building							
Conservation and restoration							
Education							
Gathering information							

Use of Tools

Trend lines, seasonal calendars, brainstorming, matrices (ranking and pairwise), mobility maps, Venn diagrams, market chains, force field maps, transects, daily activity charts, wealth ranking, decision-making chains, and lists

Stage V: Delivery

OVERVIEW

Delivery is the 'action' part of APPA, the fifth (but not final) step in the 5-D cycle. It is about making Dreams come true — the implementation of action plans so that communities develop and manage community-based projects. The action plans developed during Design define what activities should be carried out to achieve the Dream and why, where, when, by whom, and how they should be carried out within a short-term or long-term timescale.

The APPA cycle is continued over and over again, and it becomes crucial that the spirit of participation and self-reliance runs throughout the entire 5-D cycle. Delivery helps to sustain this willpower of wanting to learn, adjust, and become empowered on a continued basis.

Delivery

- *harnesses the positive energy and confidence that is built up during Discovery, Dream, Direction, and Design into action, i.e., 'what works';*
- *focuses on building community initiatives, confidence, and commitment towards attaining the community's Dream; and*
- *goes through a process of rediscovery.*

METHODOLOGY

Step 1: *Nurture personal commitments*. Personal commitments are individual promises to undertake a task on one's own to attain the community's Dream. Commitments should be realistic and not just stated to impress. For example, "I commit to picking up rubbish in the village every month" sounds reasonable.

Everyone in the room including facilitators, project staff, and observers are asked to think for a moment and make a verbal promise to the group to do something that helps achieve the community's Dream. Everyone's name and personal commitment is written on a large piece of paper. Each person should be applauded for their commitment, no matter how large or small. Facilitators should be prepared to deliver a commitment as well, which should be something beyond their normal job responsibility that makes it a true personal show of support. The list of commitments is left

with the community, and the next time the group comes together, participants can report on the commitments carried out and make more.

Step 2: *Use immediate group action to obtain short-term goals*. Participants rally other community members and together they select, plan for, and carry out an activity that promotes local benefits and conservation immediately (as the concluding activity of the planning workshop). This will directly contribute towards achieving their Dream. Actions are carried out and completed within a few hours and benefit the entire community. Activities that communities in Nepal have carried out include clearing up rubbish, planting trees, and repairing village trails.

Step 3: *Follow-up and monitor the community's efforts*. During the planning session, participants' spirits are high and commitments of time and resources are made. Once the group disbands; enthusiasm will wane as personal or family responsibilities take precedence.

Follow-up support from project planners, partner organisations, and most importantly, local institutions or individuals is critical within the first few weeks or a month and periodically (every two to three months) throughout the implementation schedule. Project staff should maintain close contact with communities to monitor progress during the implementation of action plans.

Step 4: *Rediscover past and ongoing efforts*. The community continues to implement action plans over time, monitor the impacts and benefits, reflect upon lessons learned, and develop managing and marketing strategies that build upon new successes, new strengths, and opportunities. This forms the foundation for reviewing and updating the strategy that helps to attain the Dream.

Step 5: *Set targets for the future*. Participants should leave the APPA session with a clear plan of what to do next:
- which activity to do first;
- when the next meeting will be held; and
- what needs to be done before the next meeting.

If outside assistance or funding is needed, such as a matching fund or loan, participants will need to develop a more detailed feasibility study or business plan (refer to MAD, stage III) that meets the funding agency's objectives.

GUIDELINES

1. Everyone's personal commitment serves as a public promise that can be monitored in follow-up meetings, as a measure of local initiative. Each individual's effort to follow through becomes a matter of civic pride and should be acknowledged and rewarded publicly.
2. Immediate group action serves as a final enjoyable, recreational activity of the planning session: a cause for celebration! It has a bonding and exhilarating effect on participants. Work that may be drudgery if undertaken individually can become a game and can be celebrated in song and dance, even on top of a buried rubbish pit!
3. Since progress is made through the implementation of community-based plans, it is important to reflect, re-evaluate, and reassess the results and process. The community needs to know what it is doing well and what it needs to do better to achieve the objectives of supporting conservation, generating local benefits, and achieving strong community participation. Both are critical to sustainable community-based projects.
4. Rediscovery continues periodically as a monitoring exercise to reassess the situation and reformulate strategies as new opportunities arise. In a three to five-year planning cycle, rediscovery should occur at least every three to six months to review the short-term achievements and progress and to plan for the next cycle.

Process for Immediate Group Action

- *Decide upon immediate group action*. Initiate a discussion among participants (the wider community can be included) as to what they as a group can do that same day or the next day (before the conclusion of the session) that will contribute towards what they value as assets.
- *Develop an action plan*. A quick action plan should be developed. Include the tasks to be carried out (what?), the objective (why?), a time and a place (when and where?), those leading (who?), materials and skills needed and sources (how?), and indicators of success (how?). Permission should be sought from landowners or local institutions if necessary.
- *Do it!* The group's enthusiasm is likely to attract a large following, so team leaders should be prepared to allocate tasks and tools.
- *Evaluate the action*. At the conclusion of the action, hold a brief discussion about what went well and what could have been done better. Then the activity can be celebrated.

Use of Tools

Immediate group action and other PLA tools that can help stimulate discussions and provide a more concrete method of measuring change

CHAPTER 3

Market Analyses and Development and Entrepreneurship Development

MAD is different from planning conventional businesses and enterprises. Rather than considering only commercial aspects of the enterprise, it assesses environmental economic, social, and technological factors in the development of the enterprise.

Introduction

Any individual, group, or community will be motivated to conserve a resource if they derive economic benefit from its sustainable use. And this is where Market Analyses and Development (MAD) can play a challenging but crucial role by integrating the sustainable use of a resource with income generation. This combination results in productive resources and employment that contribute to the economic development of a country.

MAD's main goal is to successfully select products and develop enterprises that provide income benefits for entrepreneurs without degrading the resource base. It identifies and assesses opportunities and constraints in the market system to make a shortlist of the most viable products, while at the same time, builds up the entrepreneurial capacity of participants. The process uses a three-stage approach: Assessment, Analysis, and Action.

MAD

- *helps entrepreneurs to develop and implement business and action plans;*
- *aims at making the enterprise a successful initiative, while minimising the environmental and social exploitations that have occurred in the past; and*
- *helps facilitators and entrepreneurs identify enterprise goals and determine the direction and the means to attain these goals.*

Before an enterprise is started, there are some basic prerequisites. First of all, Social Mobilisation (chapter 1) as well as Appreciative Participatory Planning and Action (chapter 2) should ensure the formation of strong groups. These groups can eventually play a role to improve entrepreneurs' access to credit facilities. As participants begin to understand the meaning of entrepreneurship, they become aware of the need to manage resources through sustainable means. Through SM and APPA activities, interested individuals will emerge as target participants for MAD workshops.

The Three-Stage Approach of MAD

Stages	Objectives
Assessment	Assesses the existing situation
Analysis	Selects the most promising products
Action	Plans enterprises for sustainable development

Access to the sources of the product(s) must also be guaranteed with good management, adequate supply, and competitive prices. Many of the resources used for enterprise development are common properties or national resources. Therefore, we need to ensure a stable and congenial environment where working policies are clear, precise, flexible, and conducive to the start-up of micro and small enterprises. Enterprise Support Services (chapter 4) will assist entrepreneurs on how to work towards creating such an environment.

In some cases, experiences show that people who have harvested forest products in the past have exploited their resources and eventually lessened economic possibilities for themselves. This has resulted in the degradation of the resource, poverty, and sometimes indebtedness of the collectors. Thus, MAD requires entrepreneurs to make the right analysis in order to minimise risks.

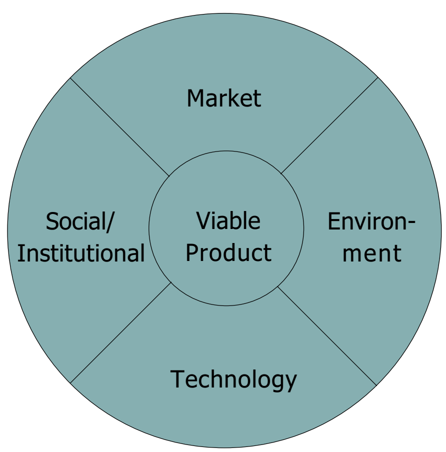
FOUR AREAS OF ENTERPRISE DEVELOPMENT

MAD assesses different factors that potentially influence the sustainability of viable enterprises. These can be grouped into four main areas:

- market/economy;
- environment/resource management;
- social/institutional; and
- technology.

In stage I, the entrepreneur begins by considering a wide range of possible products. This is gradually reduced to a few potential enterprise ideas. Each of the filters in stage I and II (page 75) uses the four areas of enterprise development that basically provide the criteria for product screening.

Four Main Areas of Enterprise Development



SCOPE OF RESEARCH AND DOCUMENTATION

Facilitators should help community members assess which market they would most likely want to target and organise their research accordingly at different appropriate levels. For instance, research related to technology often needs to take place at the national level in order to identify resource people familiar with certain types of technologies, or in the case of markets, there may be local markets or international markets for a particular product. The scope of research and documentation in MAD may include various levels.

National-level. Before facilitators can work with MAD at the community level, they need to have an overview of the major opportunities and constraints influencing the sector at the national and district levels. They need to be aware of the major stakeholders and sources of information. This initial assessment will be useful in making strategic choices regarding geographic areas where communities will receive support. District-level key informants, traders, and resource people can add valuable information and provide ideas on new products demanded by the market. These ideas can in turn be shared with workshop participants at the community level.

District-level. A district overview is essential in order to select potential sites within the district for village workshops and facilitate the sharing of information with entrepreneurs about potential enterprises. District socioeconomic issues and market opportunities and constraints must be assessed through surveys, interviews with key informants, and participatory learning and action workshops at the district level and in selected sample communities.

Community-level. Once Village Development Committees (VDCs) are selected, partners who will implement the enterprise need to be selected. These might include non-government organisations (NGOs) from selected VDCs and facilitators from target communities. Partners and facilitators need to be trained to carry out a VDC overview, which consists of the following aspects:

- a participatory assessment of the socioeconomic status of the communities;
- a profile of existing market and trade systems; and
- an assessment of the natural resources available to the villages within the VDC.

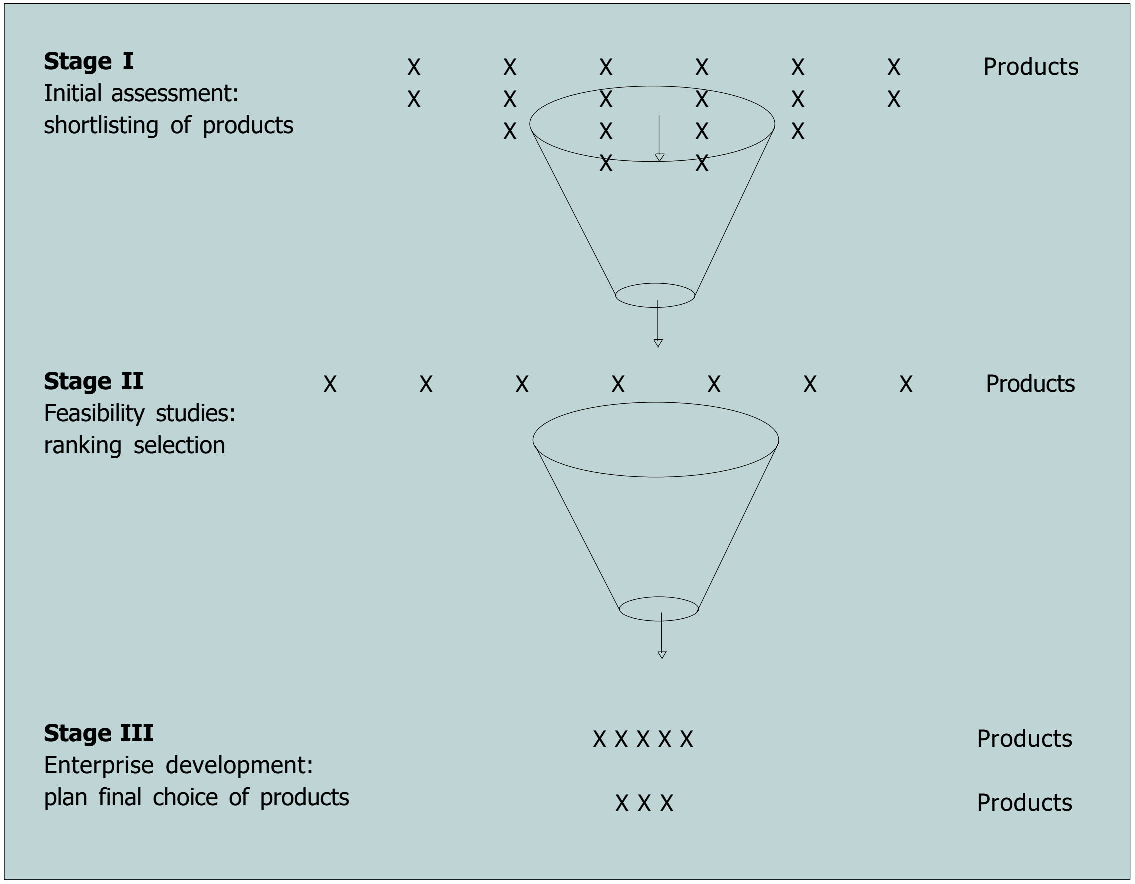
After a VDC overview is carried out, MAD is initiated with the community.

INFORMATION NEEDS

Once facilitators have an understanding of local communities, they can organise a series of MAD workshops in different villages within the same area (for example, within a VDC, as in the case of Nepal). Initial workshops will have the main objective of raising awareness about the sustainable use of resources and enterprise development; however, as MAD unfolds, the interests of participants will gradually become more specific.

Collecting information may require heavy investment; therefore, MAD employs two strategies to ensure the most effective use of available resources, namely:

Selection Process of Viable Products



- to collect only minimal information regarding any of the stages of MAD; and
- to focus research on resources and products which have the greatest chance of commercial success.

Once potential products are identified, additional information is required based on the specific needs of these products. This information may be available at the community level, but one often needs to approach sources at the district, regional, national, or international-levels (refer to the table on page 76).

Overview of Information Needs

Objective	To assess the existing situation in the sector in order to identify opportunities and constraints			
	Market/Economy	Environment/Resource Management	Social/Institutional	Technology
International-level	▪ New product needs ▪ Trends in demand for existing products ▪ Quality requirements	▪ Domestication trials ▪ Experience in commercialisation, common resource management, and conflict resolution	▪ Trade agreements ▪ International treaties, bans, incentives, and support	▪ Value addition and appropriate technology ▪ Technical support and assistance
National-level	▪ New product needs, trends in demand for existing products, and total quantity traded ▪ Quality requirements ▪ Experiences of institutions in delivering credit	▪ Domestication trials ▪ Experiences in commercialisation, common resource management, and conflict resolution	▪ Institutions involved in the delivery of Enterprise Support Services ▪ Policy and legislation ▪ Trade laws	▪ Identification of research institutes and other relevant agencies
Community-level	▪ Importance of the product in the local economy ▪ Average quantities traded ▪ Marketing channels ▪ Market chains ▪ Access to credit	▪ Potential local resources ▪ Interaction between forest and local community	▪ Institutional organisations ▪ Traditional resource management ▪ Mechanisms and laws (rules)	▪ Local technical knowledge ▪ Current processing

The Three-Stage Approach

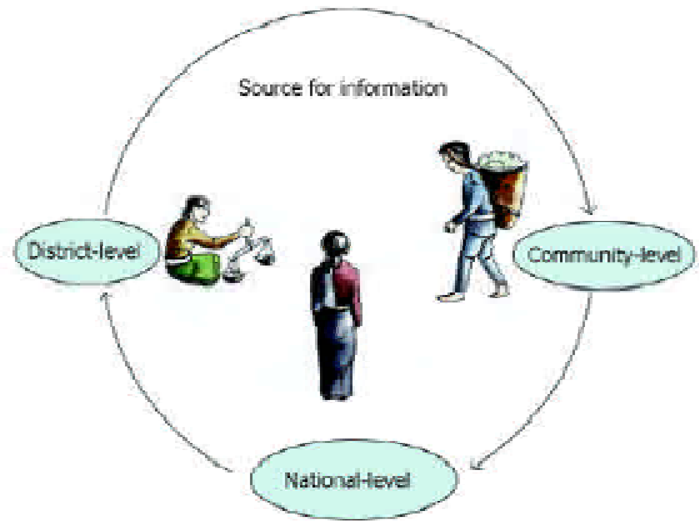
Stage I: Assessment

OVERVIEW

Stage I assesses key issues to take into account when planning the start-up of an enterprise. It identifies target groups, prepares inventories of available resources and potential products, and analyses the current market system. The end of Assessment results in a shortlist of the most viable products and those that are not worth the investment of further resources.

Assessment

- *generates understanding regarding the market, environment, social, and technical constraints of a range of products;*
- *develops a shortlist of the most viable products that will be re-evaluated in stage II; and*
- *identifies potential entrepreneurs.*



METHODOLOGY

Step 1: *Ensure that the target group is identified and included in the process*. The poorest and landless households included in SM (chapter 1) should be identified (use wealth ranking). Possibly all of the SM groups, or those who are particularly interested in enterprise development, should be included in the MAD workshops held at the village level.

A VDC overview can identify those villages and community members most in need of alternative sources of income. Certain individuals or households may indicate that they have a particular experience of, dependence on, or interest in certain products such as community-based forest enterprises (CBFEs) and non-timber forest products (NTFPs). At least, one man and one woman representative of each community-based organisation (CBO) should attend the first MAD workshop and then report back to their group. The VDC chairman, VDC-level village traders, and the chairman of any users' group, such as the forest user group (FUG) should attend the first MAD workshop as well as other local stakeholders.

Step 2: *Determine the economic objectives of the target group*. Defining the economic objectives of the target group is the only way to get an indication of the expectations of the entrepreneurs, i.e., the income level they want to reach through the enterprise. Economic expectations combined with an estimate of the demand and status of the existing market systems (infrastructure and market channels) and a review of existing resources and products will define the scale of a future enterprise.

Potential entrepreneurs must acknowledge where they are at the start of an enterprise and where they eventually want to reach. This way, they will be able to realistically select an enterprise that they can manage on their own without too much risk. An enterprise will have long-term development potential, only if it answers the expectations of entrepreneurs and if they have the capacity to implement and sustain it.

Step 3: *Determine whether the economic objectives set by the target group can be met by the product and its defined markets*. This step will contribute towards defining a sound strategy and information should be collected for this. Thus, the risk of developing a sophisticated product for the international market can be avoided when the same objective can be met for the local market, where it is easier to manage for concerned entrepreneurs. If the local markets are sufficient, it is not necessary to look for a more complex (and less sustainable) market strategy at the national or international levels.

The assessment of economic objectives will serve to define the scope of the strategy and the scale of the future enterprise. It will assist entrepreneurs and facilitators to understand the social differences within their village and serve as a basis to build the strategy of each sub-group. Poor sub-group members may have financial objectives that have a far lower goal than wealthy members of the target group.

Step 4: *Prepare an inventory of the possible resources: existing or potential new products*. Some data can be obtained from secondary sources and other primary data can be gathered through observation and interviews. In order to list the resources and products available at a site, facilitators need to carry out the following tasks.

- Use participatory group discussions or personal interviews with members of the community and the specific group that is the focus of the activity. For example, if members of a disadvantaged group need assistance or a group of experienced traditional women birth attendants is interested, then separate focus group discussions should be held for these people, because they may have specific knowledge of particular products that they use differently from other villagers. Facilitators should prepare a comprehensive checklist of potential resources and products so that informants do not forget any items.

- The list obtained from the focus groups can be checked with other knowledgeable informants in the area. For example, an expert in the commercial species of NTFPs, accompanied by local collectors, should make a field trip to some of the main collection areas and make an overview of the resources available.
- The output is a list of existing resources or products available at the site for subsistence or cash income. At the end of the survey, facilitators and participants are usually surprised at the wide range of resources and products that are available to them for home use as well as a source of cash income.

The worksheet on this page can be used to begin a database at the district level which will help complement any resource assessments done by specialists such as botanists. In this case, NTFPs are taken as the products — for which walnuts and wild garlic are presented as samples.

Step 5: *Gather information to identify constraints of products and organise the collected information at the community level*. For this, the selection criteria are divided into four broad categories used in MAD. These criteria form the 'filters' referred to earlier (page 75). All potential products are screened through these filters in order to assess their viability. In order to gather information for evaluating these criteria, several methods and sources of information can be used. For example, semi-structured interviewing, focus group discussion, or resource mapping.

Initially, villagers should give their own examples of possible reasons for eliminating a product. Emphasise that only

Example of a Worksheet for Non-Timber Forest Products

Village name:		District:			Recorder:						Date:	
Product	Part used	Cultivation	Harvesting month	Gender specific roles (if any)	Market		Resource			Social/ Policy	Elimination (and reason)
					Local	National	Low	Medium	High		
Walnuts		Yes	Sep, Oct	F	Yes				x		
Wild garlic			Jun, July		Yes		x				

insurmountable problems need to be identified at this stage in order to reduce the list. Remind participants of the four areas of enterprise development; discuss each criterion and give suggestions for any additional criteria. The criteria illustrate the type of information that is needed to eliminate non-viable products.

Few insurmountable constraints originate at the international level for likely products. Most of the products that eventually end up in international markets already have an existing market channel through a likely buyer. Therefore, the main information that is needed will originate from national-, district-, or community-level resource people.

Step 6: *Develop shortlists of the most viable products*. This step deals with the importance of eliminating non-viable products in order not to waste time and sources in developing products without a realistic market prospect. Organise a workshop with resource people from the district and national levels to gather information on the constraints of products especially regarding policy and marketing. A worksheet (refer to step 4) can be used with villagers and collectors. Before using the worksheet, assist participants to go through the existing list using a brainstorming session. Usually participants can immediately see which products are easy to develop into enterprises and which ones will experience difficult problems. Some products can be eliminated quickly if they have no known potential commercial use, no market (local, national, or international), or are banned from collection.

Once facilitators have conducted this workshop in all the villages, a shortlist of products will be available from each location. This information then has to be analysed at the VDC and district levels to determine which products are the most popular in all the locations and where the project can have the greatest impact with support.

Step 7: *Select potential entrepreneurs*. Once a list of potential products has been developed, it is important to identify the people who have the aspirations and skills to be involved. Raising awareness about the benefits of working together, ensure that as many workshop participants as possible should come to the next phase of workshops that will be held during stage II. Additional participants with specific skills or interests may need to be included in further workshops. One of the benefits of working together is overcoming market-related problems.

GUIDELINES

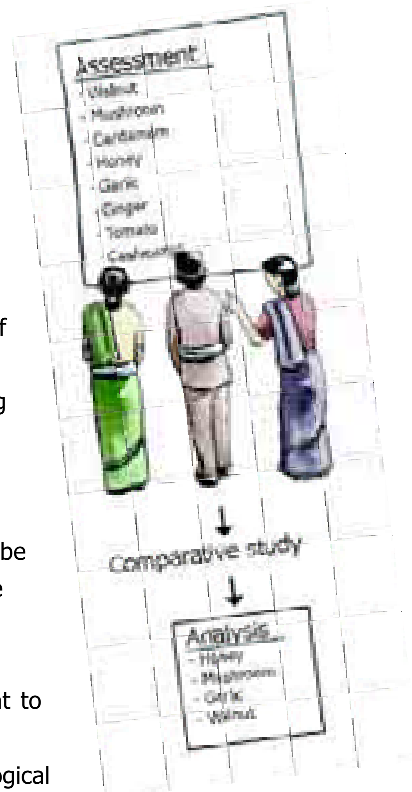
1. A heterogeneous group in terms of wealth, gender balance, and economic activities should be targeted to allow for social diversity. Each sub-group will have the opportunity to choose an enterprise strategy to reach its own financial objectives.
2. If new activities are not sufficient to reach the economic objectives set by local entrepreneurs, then research and study must be expanded to include strategies that are more complex.
3. District profiles may have already been prepared for some projects giving a good indication of the income needs of the poorest population in any given district. However, once potential entrepreneurs are identified, this information should be verified, particularly in the case of very poor people.
4. Factors that influence the performance of the market system originate at different levels. Entrepreneurs and their facilitators must understand the context in which the enterprise will operate. This will help them to identify the factors that may contribute to the success or failure of the enterprise.
5. Workshop participants in the community need an explanation of the tools to collect information.
6. Information on potential constraints at the national level can be obtained from resource people — such as those from national-level NGOs. Invite these people to some of the stage I workshops, until they have a basic knowledge of the major constraints at the national or international levels that would prevent the marketing of a product.
7. Resource people from outside the area can provide information about potential opportunities that are not apparent to local community members.
8. It is not always necessary to use the worksheet, if the reasons for the lack of viability are immediately obvious; however, as in all participatory processes, if one spends more time on this process, there is less chance that a vocal minority will dominate decisions for the community.

Use of Tools

Wealth ranking, participatory group discussion or personal interviews, focus group discussion, semi-structured interviewing, and resource mapping.

Stage II: Analysis

OVERVIEW



The primary objective of stage II is selecting the best products and making a list of the opportunities and positive aspects of these products and the constraints that need to be overcome to improve the current status.

It uses a rapid assessment to measure and document indicators of existing biological characteristics of the selected resources in order to understand their sustainable potential extraction rate and the ways through which they are being managed. This will provide important indications of how resources should be managed, if an enterprise has to be developed from one or several products.

Analysis
- *selects the most promising products;*
- *examines data on products in more depth; and*
- *forms a team of interest groups to undertake stage III as well as enterprise development.*

METHODOLOGY

Step 1: *Analyse the four areas of enterprise development*. Information should be collected for the analysis based on the four areas of enterprise development. Please refer to the checklist provided in the guidelines. At this stage, the information should still be of an exploratory nature relying as much as possible on existing sources and key informants.

Workshops are necessary in all the villages of a specified project area in order to estimate the total existing production of a particular product in all the villages, as well as to get an overview of the communities interested in the product. If products are shortlisted in several villages of the project area, it is an added justification for organising a sub-sector analysis. Please refer to the table on the next page.

Step 2: *Select the most promising products*. Having gathered all the information on the four areas of enterprise development according to the checklist, ranking can now take place in order to assess how the products measure up in comparison to each other. A sample worksheet is presented in thorough detail on page 85 showing different products relative to their market value. After filling in the selection criteria forms for each product, entrepreneurs should compare the scores. Products with the best total scores are the most promising.

Display all the groups' forms on a wall. A discussion should be facilitated according to the following steps.
- Point out the total scores for each product with each group to determine which products scored the lowest and highest. Group together those products with similar scores.

- Compare the relative position of each product in one group with the findings of another group and assess which criteria are responsible for the difference in the scores.
- Identify the criteria and the reasons that contribute to low scores in some products and discuss these with all participants according to the four areas of enterprise development.
- Summarise the discussion and form a consensus regarding which products are the most important for more in-detail evaluation and research, and select these products.

Data collection alone will have little, if any, use, unless directed towards the implementation of activities. The results of the sub-sector analysis can be used to study the products more closely.

Process for Sub-Sector Analysis

Selection → Familarisation → Mapping → Analysis → Strategy

Step 3: *Assess each product closely with the product assessment table (PAT)*. Please refer to page 86. The PAT helps entrepreneurs to analyse data in more depth. When using the PAT, ask entrepreneurs to classify the opportunities, constraints, and solutions within the four areas of enterprise development to be able to later on identify what type of support they need for each type of constraint.

Sub-Sector Analysis Tool

1. Selection of sub-sector: is this a sub-sector in which large numbers of the intended target group live? What is important, interesting, or promising about the sub-sector?

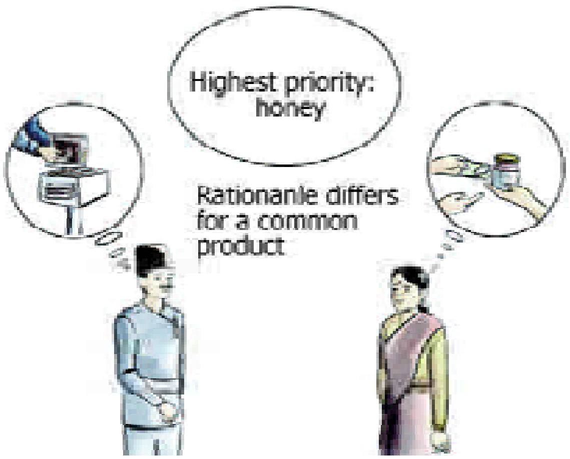
2. Familiarisation with the sub-sector: what do the target group and other key actors have to say about the operations, technologies, participants, and linkages within the sector?

3. Make a sub-sector 'map': what are the main operations or functions, participants, technologies, distribution or market systems, product flows, production relationships, or other characteristics of the sub-sector?

4. Specify the working environment: how does the regulatory and institutional environment affect enterprises in the sub-sector?

5. Analyse dynamics: what are the driving forces within the sub-sector and how do these interact? What are the opportunities and constraints with regard to market demand, technological change, profitability of different niches, barriers to entry, and input supply? What are the common perceptions of constraints and do these reflect actual constraints?

6. Explore sub-sector strategies and points of leverage: what are the main interventions planned? What interventions can influence a large number of people? What types of institutional infrastructure, services, and skills are proposed?



Step 4: *Form interest groups for the selected products*. After the selection of the products, initiate interest groups during the same workshop (step 3) with the following tasks.

- Remind entrepreneurs of the benefits of organising themselves into groups.
- Ask participants to decide whether they want to create interest groups.
- Ask and write on a large sheet of paper the names of the participants who are most interested in developing one or several products. The output will be a list of interest-group initiators.
- Discuss the role of the initiators while creating interest groups per product. Propose to the initiators and ask them to go back to their villages or communities to meet people who are involved in the same activities as they are, and to explain the reasons that motivate the formation of groups and to ask these people if they want to join one.
- Appoint one or two people as representative(s) of their group for relations with people outside (such as a project, bank, buyers, and other groups).

Why Women and Men View a Product Differently

Women and men's groups each have their own expectations and concerns regarding a product and usually the results of women and men's groups differ. These differences highlight the products preferred by women and men and the products that both of them find equally important.

For example, in a workshop, men ranked honey, *Jatamansi*, and *kutki* with the highest priority. Alternatively, women gave the highest rank to honey, *allo* bags, and *guchi chyau*. *Jatamansi* and *kutki* were of lower importance to them. Facilitators were surprised that honey was ranked highly by both women and men. Honey plays an important role in the local economy effectively replacing sugar, and its surplus can be sold or bartered. Although beekeeping and the collection of honey is entirely in the domain of men, it was ranked high by women because activities related to the product do not involve extra workloads for them, it is economically important, and its marketing is convenient — women may be involved in the selling of honey. When traders come to their house while the men are out, women are able to negotiate a price or barter value. Therefore, from this case study we see that although women and men agree on a common product, their rationale for it differs.

Example of a Worksheet on Feasibility Ranking After Elimination

Products	*Jatamansi*	*Atish*	*Kutki*	*Sa mayo*	Walnut	*Datelo*	*Dhupi*	Apple	*Nigalo* baskets	Honey	*Allo* bags	*Padamchal*	Seabuck thorn juice	*Guchi chyau*	*Sunpati*
A. Market/Economy 1. Market potential	4	4	4	4	1	1	2	3	4	4	4	2	3	4	2
2. Constraints to start-up	2	2	2	2	2	2	2	2	4	4	4	2	3	2	2
3. Margins/Profitability	4	3	4	3	1	2	2	3	3	4	2	2	2	3	2
Total	**10**	**9**	**10**	**9**	**4**	**5**	**6**	**8**	**11**	**12**	**10**	**6**	**8**	**9**	**6**
B. Environment/Resource Management 1. Impact of harvesting	2	1	2	2	4	4	4	4	4	3	2	2	2	1	4
2. Number of days available	4	2	3	2	4	4	3	4	3	4	4	3	3	3	2
3. Amount of time needed to find/harvest	4	2	4	2	2	2	2	2	3	4	4	4	2	4	3
Total	**10**	**5**	**9**	**6**	**10**	**10**	**9**	**10**	**10**	**11**	**10**	**9**	**7**	**8**	**9**
C. Social/Institutional 1. Distribution of benefits	4	2	4	2	4	4	4	4	2	3	3	2	3	4	4
2. Experience with the product	4	2	3	3	4	3	3	3	4	4	4	3	4	4	1
3. Gender impact	3	3	3	3	2	2	3	2	3	3	4	1	4	4	2
Total	**11**	**7**	**10**	**8**	**10**	**9**	**10**	**9**	**9**	**10**	**11**	**6**	**11**	**12**	**7**
D. Technology 1. Processing technology/locations	4	3	3	3	4	4	4	1	4	4	4	1	4	1	1
2. Processing skills and technology in extraction/cultivation	4	3	3	3	4	4	3	1	4	4	2	4	3	4	4
3. Negative impact on environment	3	4	4	4	4	4	3	4	1	4	1	4	1	4	3
Total	**11**	**10**	**10**	**10**	**12**	**12**	**10**	**6**	**9**	**12**	**7**	**9**	**8**	**9**	**8**
Grand Total	***42***	***31***	***39***	***33***	***36***	***36***	***35***	***33***	***39***	***45***	***38***	***30***	***34***	***38***	***30***

Product Assessment Table for *Guchi Chyau* (mushroom)

Market/Economy	Environment/Resource Management	Social/Institutional	Technology
Opportunities			
▪ Very high price ▪ Many buyers come to the houses and they compete with each other, which raises the price obtained by collectors.	▪ Collection is easy ▪ Abundant resources so long as there is plenty of snow the previous winter and a good monsoon.	▪ Benefits both the poor and the wealthier households. ▪ There are no legal restrictions and no permits are needed for collection.	▪ No specialised equipment is needed for drying and processing.
Constraints			
▪ Fluctuations in price ▪ Lack of capital ▪ Unreliable supply	▪ The resource is not dependable from one year to the next. ▪ Premature harvesting — small mushrooms are collected and do not get a chance to increase to full size, so no one receives the maximum benefit.	▪ There is high competition between collectors. ▪ Cheating and lowering of quality by collectors	▪ Low quality drying techniques with too much smoke. ▪ There are no weighing scales in the villages.
Solutions			
▪ Understanding the price trends with help from the market information system ▪ Capital: a loan of NRs. 50,000 (US$ 600) can be taken from Venture Capital Fund and the rest from the local money lender. ▪ Volume of collection: there is enough resource to be able to collect 20 kg from the households in the area.	▪ Build village awareness on the need for high quality standards.	▪ Community-based organisations should make rules on how to standardise quality/rates and deal with cheats.	▪ Install a solar dryer. ▪ Dry in shade and not directly above the smoke of a fire. ▪ Purchase of weighing scales by community forest user group/ project

GUIDELINES

1. Checklist for Collecting Information

Market/Economy: market channels can be studied in several ways — such as using sub-sector analysis or some form of rapid market analysis. Collect information from different actors in the various marketing channels (producers, traders, manufacturers, transporters, and consumers) and from the different indirect actors. Obtain information from enterprises of different sizes and from different seasons.

Environment/Resource Management: many methods can be used to obtain information about forests, trees, and forest products. Formal forest inventories can provide accurate information, but they are often time-consuming and expensive. Therefore, one of the best methods to collect data on resource management is to conduct a rapid assessment of the sustainable supply of forest resources. Develop products without destroying the resource base. In CBFE, a product will be considered, if its resource base will not suffer from an increased harvesting rate, or if harvesting can be supplemented or substituted by cultivation. Thus, it is important to assess the forest and the status of the resource and quantity available before starting a business. Afterwards, regularly monitor the use of the resource to gain insight into the environmental impact of the enterprises' activities.

Social/Institutional: the social dynamics in the community will be an important factor to design the organisational structure of the enterprise in stage III and will determine the success or failure of the venture.

Analysis at the community level should include detailed information about potential producers and the impact of proposed activities on gender and disadvantaged groups. This will determine the extent to which entrepreneurs can achieve the following objectives:

- take advantage and benefit from the marketing activities to evaluate their capacity in absorbing technical assistance and access services;
- identify the level of interest and whether there are any factors that prevent the participation of the target group;
- identify the stakeholders in the community and how they influence the marketing of products; and
- determine the stakeholders' influence on entrepreneurs in the future.

This information will be used to assess the direct and indirect potential impact of proposed products on the community, as well as design socially sensitive actions to minimise (or eliminate) negative social impact. Information will be collected on policy aspects of the target group's access and users' rights to the resource.

The survey aims to assess the impact of policies, rules, and regulations on commercialisation and trading of the product. The role of local law enforcement agencies in interpreting and applying these rules is assessed as well as supporting policies such as subsidies or interest-free loans.

Technology: main issues to be addressed that relate to the marketing of each product:

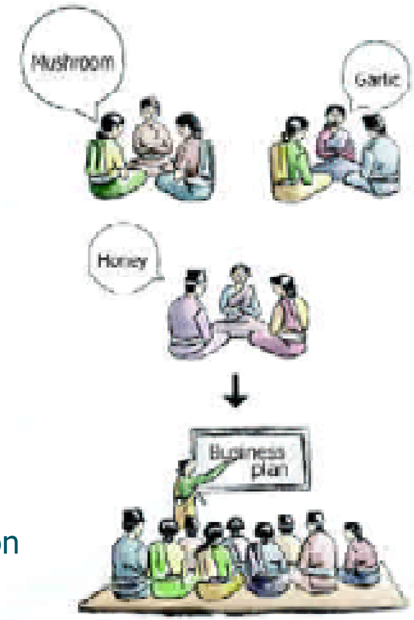
- assess the current level of technical skills for resource extraction, post-extraction operations, processing, and marketing; and
- evaluate how these technical skills can be improved to meet the requirements of new markets and new costs, such as technical improvements and services required to maintain equipment.

For example, determine the processing, storage, and transportation requirements for the selected products in different seasons. Carry out studies on the infrastructural situation that should include trails or road access, communications, and availability/cost of energy. This study can be conducted with local or national professionals. For example, in the case of a small enterprise, it is usually easy to get the price of simple equipment from local sources, while for a larger-scale enterprise, information will have to be obtained from equipment distribution centres.

All components of the technical study should include cost analysis. The analysis could indicate that the proposed technology or skill training needed to bring a competitive product to the market is too expensive compared to the value of the product. Thus, the product should either be eliminated or the design altered and its feasibility studied.

Use of Tools

Sub-sector analysis and the product assessment table.



Stage III: Action

OVERVIEW

The final stage of MAD is for entrepreneurs to develop and implement a business plan for their enterprise. By now, village entrepreneurs have prioritised several products and enterprise opportunities and discussed possible strategies for overcoming constraints. In this stage, additional information on selected products is collected with the entrepreneurs to verify the results of the feasibility studies. The objectives and strategies of the enterprise are then finalised and become the basis of the business plan.

Action

- *develops a business and action plan;*
- *formulates different strategies for the selected products; and*
- *seeks for financing as specified in the capital needs' statement.*

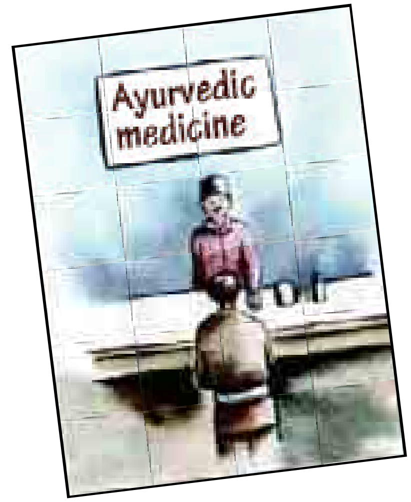
METHODOLOGY

Step 1: *Examine the business environment*. The business environment includes all the factors in the four areas of enterprise development that can influence the collection of resources, access to markets, market demand, processing, and the distribution of the products. These are critical factors for the success of the enterprise, the fundamental conditions that have to be satisfied, if the enterprise is going to be profitable, competitive, equitable, and sustainable in terms of resource extraction.

The PAT is taken as the starting point for planning additional information needs. The PAT for a particular product developed by a number of villages in the project area is then compiled in order to obtain an overview of issues affecting that product.

Sub-sector analysis will assess the potential options for a product in more detail based on the needs expressed in the PAT for additional information. For example, additional information from markets at the regional, national, and perhaps international levels will be necessary, depending on the scope of the product.

An assessment will be needed on the feasibility for village entrepreneurs to access these markets. In order to help village entrepreneurs decide which markets to target, a study tour with focus on a few key products and their existing markets can be organised with committed men and women entrepreneurs selected by the community.



Step 2: *Define the enterprise goals*. The objective of this step is to begin the process of putting specific ideas about the enterprise into a format that will become the business plan. For this, interested entrepreneurs need to combine all the information and the analysis they have collected so far about a potential product. Facilitators can then organise a meeting with the entrepreneurs from each CBO and compile all the information with them, while helping them to make decisions about their proposed enterprise(s). The discussions should take place with interested entrepreneurs as well as members of CBOs who will be providing social collateral for the entrepreneurs.

Once participants are assembled for a workshop, begin by introducing the objective of the workshop, which is to finalise the products that are going to be chosen for the development of a business plan. After the introductory session, members of the survey team will present any new information obtained during the sub-sector analysis of step 1 and initiate a discussion about unresolved issues. Hold a discussion with the participants about the options for overcoming constraints that were listed in the PAT in the previous workshop (stage II, step 3), given the new information obtained. As a result of this process, some new ideas and additional action points may arise in order to verify information or obtain new information that is still required.

Step 3: *Initiate discussion for developing a business plan*. If enough information is available on any product, a detailed discussion for developing the business plan for that product can begin. Once it is clear which product to focus on, smaller groups may be formed depending on the interest of the participants. A group should only discuss one product at a time, and the entrepreneurs that will be implementing the actual business need to be present.

Begin by briefly describing all the elements in the business plan in order to ensure that participants understand the output at the end of the workshop. Ask them to brainstorm about why they think preparing a business plan is a useful process.

The business plan is particularly important when seeking financing, because the target group must demonstrate the following aspects:

- a clearly defined business concept;
- a working knowledge of the major functions of the enterprise;
- a clear understanding of the market and competitive environment in which the enterprise will operate and a plan for exploiting the opportunities that have been identified;
- a realistic estimate of the financial needs of the venture; and
- convincing and well-documented arguments for why and how the business will succeed.

Step 4: *Prepare a summary of the discussion*. Each of the boxes listed below provides an opportunity for a discussion session with workshop participants. By leading this discussion, facilitators can ensure that the critical factors for the success of the enterprise have been discussed with community members and with the entrepreneurs who will be involved to run the enterprise and take risks with their investments. The business plan consists of the following boxes:

Box 1	Description of the enterprise: goals and mission
Box 2	Unique features and competitive advantages compared to similar products
Box 3	Location of enterprise and collection area
Box 4	Geographical market coverage or point of sale and targeted markets, customers, and promotion strategies
Box 5	Sales' targets
Box 6	Production process and permit requirements
Box 7	Payment system and organisation structure
Box 8	Risk assessment (in words) and strategies to minimise risks
Boxes 9 - 18	Financial plan
Boxes 19 - 21	Environmental, social, and technical strategies
Box 22	Conclusion

Step 5: *Develop a business plan and action plan*. Once the smaller groups that are interested in a specific product are assembled, use flip charts to go through the PAT and each of the boxes in the business plan at the same time. Initiate discussions on all the issues in the PAT and once there is understanding and consensus, the outcome is entered/ written in the appropriate box on a flip chart.

Discussions that take place while addressing boxes one to eight of the business plan result in an action plan. By the end of the workshop, a series of flip charts will have been posted that clearly spell out all the elements of the business plan and action plan and can be reviewed and changed by participants if necessary.

The added advantage of using flip charts is that it presents the results of the discussion very clearly to the participants and they can copy it down for themselves as well as keep the flip charts in order to display them later in CBO meetings. Facilitate discussions with the participants regarding the costs and benefits of the various processing options available and the markets that the entrepreneurs want to target based on the information collected until now. Please refer to page 98 for a business plan format.

Step 6: *Discuss the goals (economic objectives) and mission of the enterprise*. Goals can begin to be discussed at this time. For example, discuss the estimated volume of a product that the enterprise will collect and sell in the next season and the target price that the entrepreneurs hope to obtain. Goals are determined by several factors:

- resource availability;
- ability of the entrepreneurs to compete with other local buyers in order to obtain the product from the collectors; and
- the turnover required being consistent with expenses and profits.

Define these economic objectives as in stage I, step 2. Similarly, discuss the mission of the enterprise. In simple terms, entrepreneurs should be clear on the quality requirements of their targeted markets.

Once the goals and the mission are clear, remind participants of all the issues that were listed in the PAT. The entrepreneurs will discuss whether it is realistic to try to overcome each of the problems. If they decide to overcome the problems, this is listed in the action plan as an objective. Please refer to the table on page 93.

Step 7: *Develop strategies for enterprise development*. After going through all the issues in the PAT and identifying economic objectives with the participants, some specific strategies can be discussed and an agreement can be reached on the best follow-up actions needed for reaching the objectives. These strategies are then entered into the appropriate boxes of the business plan and action plan.

The marketing mix is the framework used on which marketing strategies are developed. Also known as the '5Ps', the marketing mix consists of product, price, place, people, and promotion. The entrepreneurs can use the marketing mix as a framework and check-list to ensure that no critical factors are left out of the strategy development.

Two games can reinforce the importance of developing strategies for enterprise development. They are the buyers and sellers' game and strategy development game.

The table on the next page provides a framework on how the action plan can be developed for a certain product. In this case, among the 5Ps (product, price, place, people, and promotion) regarding market/economy, information related to 'price' has been presented.

Step 8: *Study the product and its market options*. Facilitate a discussion on issues related to product development, production, and quality. Once the discussion is over, the conclusion is entered into box 2 (unique features and competitive advantages compared to similar products), box 3 (location of enterprise and collection area), box 6 (production process and permit requirements), and box 7 (payment system and organisation structure).

The enterprise may consider developing more than one of the product options thereby creating a product mix. A well-balanced product mix spreads out the risk factor over several different products and improves competitiveness by offering new products to customers.

There are four possibilities for products and markets and each possibility has a different type of strategy. Please refer to page 95. Discuss these with the members of the target group and help them decide which combinations of product and market strategies are appropriate for their enterprises. The conclusion of the discussion is then entered into box 5 (sales' targets) of the business plan. The figure on page 96 illustrates the various possibilities for products and markets and the profit and risk factors associated with each option.

Step 9: *Determine pricing*. Correct pricing is critical to the success or failure of a business. Price determines how much profit is made. If prices are too low, the enterprise cannot cover costs; if prices are too high, there are not enough sales. Enter the outcome of the discussion on prices into box 5 (sales' targets) of the business plan.

Information gathered during stage I and stage II is verified with the data collected during stage III (step 1) for a discussion on pricing with the entrepreneurs. For example, it is critical to include the following information in the analysis:

Example of a Flip Chart for Developing the Action Plan (for *guchi chyau*)

	PAT issue	Objectives	Strategies	Actions
Goal				
Mission				
Market/ Economy (Price)	▪ Fluctuating price ▪ Competition amongst buyers ▪ Lack of capital ▪ Packaging and drying ▪ Quality needs to improve	▪ In order to overcome fluctuations in price and obtain better market information, the collectors will develop a system to receive monthly price updates and will obtain capital in order to be able to store mushrooms until the prices increase.	▪ Market information will be disseminated every month using printed bulletins and the FECOFUN radio programme. ▪ Mechanisms for dissemination of price information will be discussed with CBOs and piloted.	▪ Facilitators will get suggestions from CBOs about the best way to disseminate market information.
Environment/ Resource Management	▪ Resource is not dependable. ▪ Season is short. ▪ Premature harvesting takes place. ▪ Predators in the forest bite collectors.	▪ Setting fire to the forest will be discouraged. ▪ Awareness will be raised to ensure only correct species of *guchi chyau* are collected. ▪ Safe picking practices will be discussed.	▪ The forest will not be subjected to any environmental damage while mushrooms are being collected and no chemical substances will be used for the drying, colouring, or preservation of the mushrooms.	▪ Awareness-raising and, if necessary, training will be organised by facilitators and resource people and given to collectors.
Social/ Institutional	▪ Taxes have to be paid to insurgents. ▪ Lack of links with Chambers of Commerce ▪ Difficulty to obtain export permits	▪ Ensure that there are sustainable links between the entrepreneurs and potential service delivery institutions based on the anticipated needs of the enterprise.	▪ Identify the most useful institutions and initiate links with them.	▪ Identify and contact potential service delivery providers based on the action plan. ▪ Organise training. ▪ Evaluate the performance of the institution with the clients (entrepreneurs and facilitators). ▪ Assess whether to develop long-term links or not.
Technology	▪ Difficulties in drying if it rains. ▪ Low-quality drying ▪ Adulteration by collectors ▪ Lack of collection baskets and weighing scales	▪ To improve drying processes and technology	▪ Introduce household-based solar dryers, such as the ones already in use in the area. ▪ Select a secure location and put a lock on the dryer. ▪ Organise several households to share a dryer on a rotational basis and assign one person to be responsible for it. ▪ Provide training on how to improve drying indoors based on customer requirements.	▪ Select households and install solar dryer. ▪ Provide training on improved smoke-free drying methods.

- the prices that other businesses charge for the same or similar products;
- the price potentially paid by target customers for all different qualities of the product;
- total collection, production, management, and marketing costs; and
- the amount of profit needed from the business (that is, the profit margin after paying for production, management, and marketing costs. This is distributed to business owners or reinvested in the business).

The price of a product should cover the following costs and provide a profit margin, otherwise the business cannot survive:

- the cost of production of the goods and their shipping;
- the overhead costs of the business (including depreciation and financing charges);
- the salary of the members of the target group and staff (using the economic objectives in stage I, step 2 as a guideline); and
- the repayments to investors.

Step 10: *Identify the needs of customers*. It is important to know the customers and find out what price they are willing to pay for what level of quality. Entrepreneurs' objectives to convince customers to buy their product are part of the mission of the enterprise as well as part of box 2 (unique features and competitive advantages compared to similar products). Many customers are concerned about fair trade strategies and the sustainable use of natural resources. This information is important and is discussed when addressing boxes 19 to 21 (environmental, social, and technical strategies).

Customers are often influenced by seasonal changes in price, which are based on the supply and demand of a product. They do not always trust their suppliers, and it is important to understand the concerns that they have about maintaining quality and the experiences they have had in the past with collectors. Stakeholder workshops with customers as well as one-to-one interviews during feasibility studies in stage II or during stage III, step 1 will have provided this kind of information.

Step 11: *Plan a distribution system*. In many instances, products such as trees are gathered in remote areas. Getting the product from the village to the buyer requires a well-planned distribution system. In the existing market channels, transactions usually take place between village traders and agents who buy for processing firms.

When there is an attempt to increase market share and compete with other similar products, the relationship with the wholesale or retail distributors becomes very important. Distributors expect terms of payment that compare favourably with those for competitors.

Possibilities for Products and Markets and Their Strategies

Option 1: continue making existing products for existing markets (low risk)
To expand sales in the existing markets with the same product, the target group should carry out the following tasks:

- attract new customers;
- convince present customers to increase purchase ('increase orders');
- improve the quality of existing products;
- intensify promotion or information about the product (this is why companies have a sales' force, why they advertise, and why they are concerned about 'brand recognition'); and
- adjust prices.

Option 2: continue making existing products and adding new markets (medium risk)
For this, the target group should carry out the following tasks:

- conduct a market study to discover new markets;
- study new trends to identify emerging markets;
- search for market niches (place);
- focus on serving customers in a section of the market more efficiently or effectively than competitors; and
- investigate the export market.

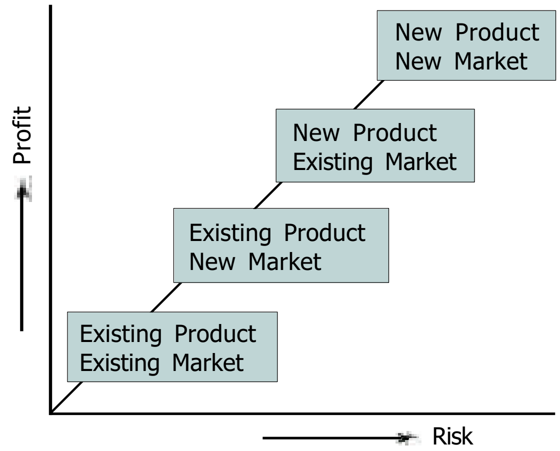
Option 3: introduce new products to sell to existing markets or market channels (medium risk)
Increase sales of new products with an established customer base by carrying out the following tasks:

- conduct a market study among established customers to find out their needs;
- conduct research and development activities to create new products; and
- conduct promotional activities targeted at the established client base.

Option 4: introduce new products to sell to new markets (high risk)
Target new markets with new products by carrying out the following tasks:

- identify a new product and the proper niche (clientele);
- conduct research, development activities, and pilot testing;
- conduct aggressive and well-designed promotions to enter a new market; and
- set up strategic partnerships with distributors with networks in the targeted market.

Possibilities for Products and Markets and Their Risk Factors



The following information that was collected in stage II and stage III, step 1 will help to plan a distribution system:
- types of transportation required to get the product or service to the public;
- distributors of the product (which ones are useful and which ones are useless);
- time and costs involved to get the product or service to the market; and
- promotion strategies that include distribution networks.

Step 12: *Look into different options for promotion*. There are many options for promotion depending on the product and the means available to the target group.

Assess the following information from stage II and stage III, step 1 to develop a strategy for promotion:
- features of the product that help people recognise it as distinctive and which will encourage them to buy it;
- forms and costs of promotion to reach the greatest number of people; and
- different target market segments (niche markets) and consequent effects on promotion and packaging.

Certification is a means of promotion, which is becoming increasingly important as a way of opening new markets to community-based enterprises. If entrepreneurs are going to certify their product, they need to be clear on the costs and benefits of the various options and need to maintain the mission of the enterprise.

GUIDELINES

1. Market information systems for prices may be necessary for collectors and local entrepreneurs to have a better understanding of the past and current price trends and the timing, direction, and extent of price fluctuations for specific products.
2. A business plan minimises the possibility of failure and maximises the likelihood of success by:
   - encouraging entrepreneurs to think carefully about all aspects of the business;
   - gathering information to make an informed estimate of the probability of success and the degree of risk;
   - committing thoughts and ideas to paper so that these can be evaluated both personally and by an outsider;
   - examining the strengths and weaknesses of the business relative to its competitors;

- formulating realistic and attainable goals;
- providing the means for managing the business by using the plan as an operating tool; and
- providing a framework for gathering and examining information and assessing progress.

3. The purpose of the business plan is to request a loan, while the action plan is mainly a management document for the entrepreneurs to monitor their business.
4. Marketing strategy decisions will vary according to which of the four products or market options are chosen (refer to page 95). In order to develop a market strategy, use information gathered on the products in stage II that includes the following aspects:
   - cost of collecting, processing, and transporting the products;
   - skills and equipment necessary to produce the products according to the needs of the buyers;
   - grading, cleaning, and packaging of the product as requested by the buyers;
   - standards of quality that export and import regulations require; and
   - pricing according to the stage of the product's life cycle (introduction, growth, maturity, saturation, and decline).
5. When developing a resource management strategy, use information such as an forest user group (FUG) inventory in order to obtain a good understanding of the users of the resource and the potential conflicts that might arise once products are commercialised or their value increased. In addition, using information gathered during stage II (for example, sustainable harvest), group members should choose management regimes and identify the training they need and the partners that can provide technical expertise.
6. The social and institutional strategy should include the following aspects:
   - social and equity relationships between men and women enterprise participants;
   - the organisational set-up of the business;
   - methods for community members; and
   - participation of disadvantaged members of the community in the planning activities.

   This ensures that participation, decision-making, and distribution of benefits are equitable and reach the intended target groups. Institutional issues include the legal aspects that regulate the enterprise, the impact of policies, and the organisation needed for entrepreneurs to maintain links with supporting institutions at all levels.
7. While developing the technology strategy, facilitators should help group members choose the production technology, processing methods, equipment, and packing methods and materials. Assist the group to select technological options that best integrate the values and concerns of ecological, social, market, and economic areas of development. Production strategies and their associated costs should ensure that the market price for a product includes a good profit margin. When upgrading or implementing technical equipment, enterprises should ensure environment friendly methods and processes.

Business Plan Format

Personal/Group Profile

Business name:
Group name:
Entrepreneur's name:
No. of group members:
Address:

Name of group representative:
Individual or group's introduction and experience in business:

1. Market Plan

1.1 Description of the product/service:
1.2 Features and competitive advantages compared to similar products/services:
1.3 Location of the enterprise:
1.4 Targeted customers and market area coverage:
1.5 Promotional measures for selling the product/service:
1.6 Annual/monthly sales' targets:

Product/Service	Quantity	Rate	Total
Total			

1.7 Basic Assumptions:

2. Production Plan

2.1 Production process (flowchart) and permits:
2.2 Organisation set-up of the enterprise:
2.3 Operating cycle (weekly/monthly/yearly):

2.4 Fixed assets needed

Item	Quantity	Rate	Total
Total			

3. Variable Expenses

3.1 Raw material

Item	Quantity	Rate	Total	Availability
Total				

3.2 Labour

Description	Quantity	Rate	Total	Source
Total				

3.3 Other expenses

Product/Services	Quantity	Rate	Total
Total			

3.4 Cost price per unit

Cost of raw material (3.1)		....
Cost of Labour (3.2)		....
Other expenses (3.3)		+ ....
Total variable costs		....
Cost price per unit	=	Total variable costs / Production units
	=	....

Note: if there is more than one product and/or service, the calculation has to be made for each product or service separately.

4. Financial Plan

4.1 Total capital needed (fixed capital and working capital)

a) Fixed capital (2.4)	....
b) Working capital	
▪ Raw material (3.1)	....
▪ Labour costs (3.2)	....
▪ Other expenses (3.3)	....
Total	....
c) Total capital needed	....

4.2 Sources of capital

▪ Own investment	....
▪ Loan	....
▪ Others	....
Total	....
(total should match 4.1)	

4.3 Interest

Monthly interest rate (%) x
number of months x
total loan amount =
total interest

4.4 Profit and loss

a) Income (take from 1.6)	
b) Expenses	
▪ Raw material (3.1)	....
▪ Labour costs (3.2)	....
▪ Other expenses (3.3)	....
▪ Interest (4.3)	
Total expenses	....
c) Profit or loss (a - b)	....

4.5 Return on investment/Repayment

Return on investment (ROI)

Profit (4.4.c)	....
	.... x 100% =
Total investment (4.1 c)	....

5. Strategies

5.1 Environmental strategy:
5.2 Social strategy:
5.3 Technology strategy:
5.4 Risk assessment:

6. Conclusion

CHAPTER 4

Enterprise Support Services and Sustainable Entrepreneurship

ESS assist entrepreneurs and business groups to improve their enterprises. They build upon and combine the latest insights and techniques on enterprise development and incorporate several tools to strengthen institutional and organisational development.

ESS

- *assist entrepreneurs and business groups to improve their enterprises;*
- *assist enterprises to address internal and external concerns; and*
- *help to provide a conducive, institutional, and market environment for enterprise development.*

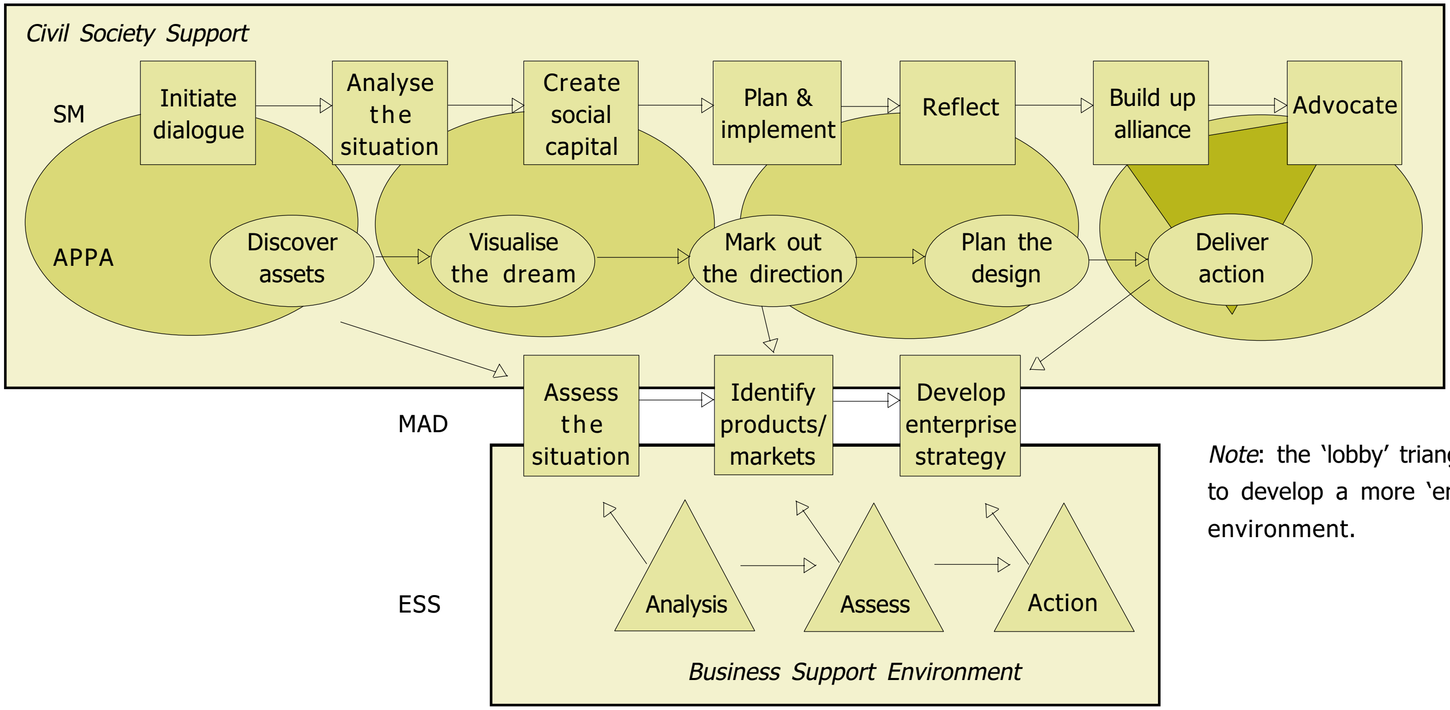
Introduction

Enterprise development improves a country's economy and provides people with a livelihood through employment. Within an economy, a healthy and efficient small enterprise sector enhances the mobility of resources and food security. Increased opportunities help small enterprises to perform better, foster networks of businesses, and improve the quality of jobs. Small enterprises have the capacity for innovation and growth and are a potent force for development.

Constraints to developing enterprises may be found in their internal capacity; access to markets, capital, and services; or in external factors such as hindering policies or poor infrastructure. Enterprise Support Services (ESS) have formulated various strategies to overcome these constraints and facilitate the development of enterprises. Thus, ESS improve the performance of an enterprise, its access to markets (finance and technology), and its ability to compete.

Essentially, ESS aim to facilitate a sustainable livelihood for micro and small entrepreneurs in rural areas. The services use the 'Triple A' approach: Analysis, Assessment, and Action. This is the final (but not last) stage in the continuum of entrepreneurial capacity development that starts with Market Analyses and Development (chapter 3) for

Transforming Initiatives Toward Enterprising Activities



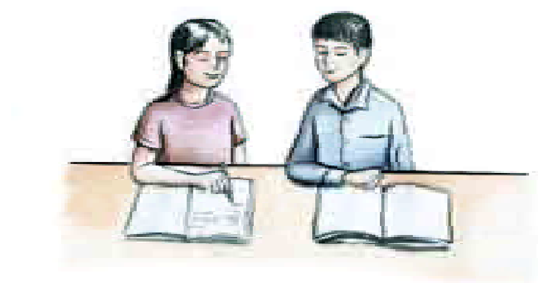
Note: the 'lobby' triangle is vital to develop a more 'enterprising' environment.

establishing sustainable entrepreneurship. ESS again use the techniques of Social Mobilisation (chapter 1) and Appreciative Participatory Planning and Action (chapter 2) to reorient participants and help further strengthen their working capacity as a group.

For enterprises to survive and grow, they need to be part of a network and might need to enter into partnership with one or more of the other players. Partnerships and networks are established for a variety of reasons and have the potential to develop the provision of informal and formal support services.

CLASSIFICATION OF ENTERPRISES

An enterprise is a business undertaking that takes risks so as to gain profit. Enterprises can be classified according to their level of development. They range from survival enterprises to large enterprises. Based on their level of development, different strategies for enterprise support can be distinguished. For example, if a programme decides to focus on survival enterprises, which are mainly engaged in part-time, income-generating activities, a community development approach suffices. SM (chapter 1) of this toolkit is particularly helpful in supporting this approach;



however, the more an enterprise progresses from a survival to a large enterprise, the greater the need for an integrated package of ESS. The figure on the next page briefly outlines the various kinds of enterprises with appropriate support strategies (refer to the table) that can be applied.

MICRO-FINANCE

Micro-finance has evolved as an economic development approach and as a sector intended to benefit people with low incomes. It is mainly oriented toward making financial services more accessible to household and micro-enterprises. In order to guarantee the provision of these financial services in the future, micro-finance aims at the sustainability of micro-finance institutions (MFIs). Financial services generally include savings and credit; however, some MFIs provide insurance and payment services. Many MFIs provide social mediation services, such as helping to form groups; developing self-confidence; and training in literacy, health care, marketing, bookkeeping, and management. Thus, the definition of micro-finance often includes both financial and social mediation aspects. There is a tendency to encourage MFIs to separate financial services from non-financial social mediation services, and this internal adjustment increases efficiency and transparency.

In the past decade, micro-finance has been recognised as an effective intervention for three reasons.

- The services provided can be targeted specifically at the poor and poorest of the poor.
- These services can make a significant contribution to the socio-economic status of the targeted community in general and of women in particular.
- The institutions that deliver these services can develop into sustainable organisations with steady growth outreach within a few years.

BUSINESS DEVELOPMENT SERVICES

Business development services (BDS) refer to a range of non-financial services provided to enterprises at various stages of development. Offered on either a formal or an informal basis, these services improve the performance of an

'Triple A' Approach to ESS

Stages	Objectives
Analysis	Collects information at various levels
Assessment	Identifies strategic options and strategies
Action	Gains insight into implementation

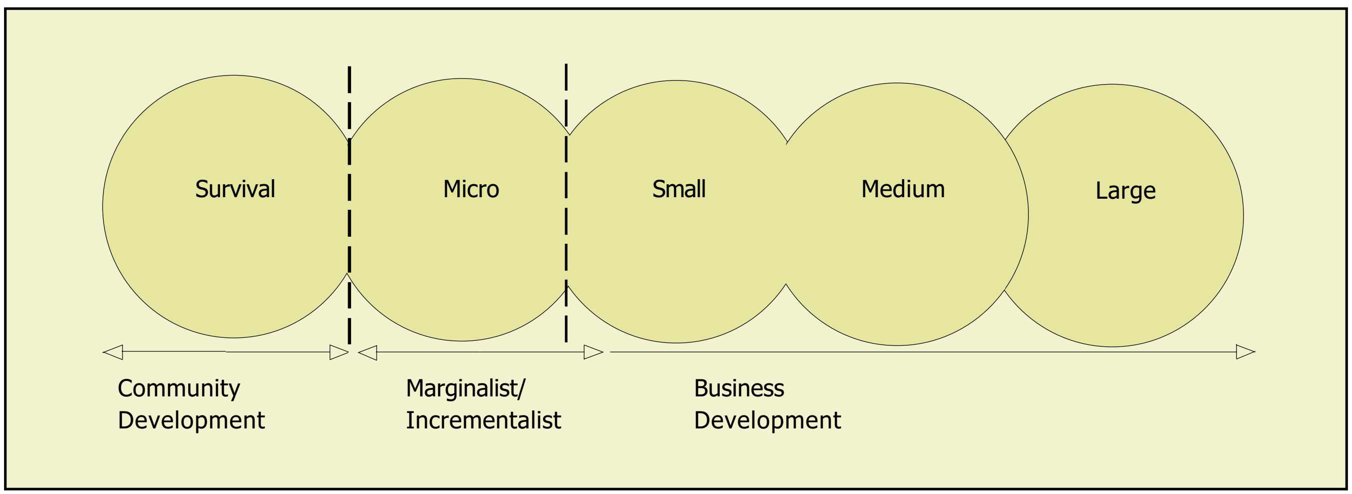
enterprise, its access to markets (finance and technology), and its ability to compete. BDS can help overcome constraints such as saturated markets, outdated technology, inadequate skills, and regulatory constraints. The BDS field is presently undergoing a shift in paradigms and approaches. New and emerging models of BDS put greater emphasis on reaching large numbers of enterprises by establishing sustainable market-based services. There is a wide range of services, but in general seven categories can be distinguished that are presented in the table on page 107. The types of BDS that are necessary and need to be supported will, amongst other things, depend on the size of the enterprise and will be identified during the sub-sector analysis (stage I, step 2).

Note: ESS differ from BDS in the sense that they include both financial (micro-finance) and non-financial services.

Support Strategies

- Community Development: creation of a socioeconomic environment in which these units can survive by self-employment in income-generating activities.
- Marginalist/Incrementalist: strengthening more capable micro-enterprises with low-cost business development interventions.
- Business Development: relatively more costly interventions to begin formalisation, gain access to formal institutions and enter into dynamic growth.

Classification of Enterprises



PLAYERS IN BDS MARKETS

There are different players involved in BDS markets and these are briefly presented below.

Enterprises. The demand side of the market comprises of micro and small enterprises that are mostly profit oriented and are the actual or potential clients of BDS providers.

BDS providers. They provide services directly to enterprises. They include private businesses, business membership organisations and associations, non-government organisations (NGOs), and national or sub-national government agencies.

BDS facilitators. They support BDS providers. For example, they develop new service products, promote good practice, and build provider capacity. BDS facilitators work on the demand side, for example, they educate enterprises about the potential benefits of services, or provide incentives to try them.

Donors. They provide funding for BDS projects and programmes.

Government. Providing funding for BDS projects and programmes, their principle role is to provide an enabling policy and legal and regulatory environment for enterprises and BDS providers. They provide public goods such as basic infrastructure, education, and information services.

Business membership organisations such as business clubs, associations, and Chambers of Commerce are regarded as important catalysts for the development of enterprises. They have demonstrated that they can play an important role in advocating enterprise interests and provide services to a lesser extent.

Generally private businesses are successful BDS providers; however, it has been assumed that they mostly cater to larger enterprises. Their services are different from those provided by NGOs and governments (for example, business training and counselling).

GENDER AND ENTERPRISE SUPPORT SERVICES

There are some gender-based obstacles at various levels that interact and reinforce one another in the fields of micro-finance and BDS. The table on page 108 presents some common gender-based constraints at different levels. The household level refers to the social relations within the household — including the extended family, and these are constraints that exist due to a woman's lack of skills, experience, knowledge, and confidence. Other constraints presented are related to what the wider society imposes on women in terms of norms, behaviour, legal rights, and perceptions regarding the value of what they do.

Existing and potential markets are assessed.

Opportunity identified: growing number of enterprises.

Problem identified: enterpreneurs are not aware of the benefits of support services.

Types of Business Development Services

Category	Description
Market access	All the services directly or indirectly relate to facilitating access to markets. These cover areas such as market research, market promotion, market information, and market linkages.
Training and technical assistance	Services include feasibility studies and business planning, management and technical training, counselling/advisory services, legal services, financial and taxation advice, etc. These can be provided on a collective basis or to individual enterprises.
Input supply	Services relate to the inputs that enterprises need such as facilitation of linkages, information, bulk buying, or improving providers' capacity to provide a regular supply of quality inputs.
Technology and product development	Design and development of technology and its dissemination or development by enterprises. This includes maintenance and supply of replacement parts.
Infrastructure or logistics	Services needed for operation such as storage facilities, transportation and delivery, telecommunications, information through print and radio, and computer services.
Policy/Advocacy	Services that concern the policy environment in which enterprises operate. These include analysis, interpretation, and communication of regulations as well as direct advocacy or training in advocacy and policy studies. Policy reform is an important service in certain cases.
Financing	Services that aim at facilitating linkages with (micro) finance services or create access to alternative financing mechanisms.

Gender Based Obstacles in Micro-Finance and BDS

	Individual	Household	Wider community/National context
Financial	▪ Women lack access to BDS and financial services.	▪ Men's control over cash income and expenditure patterns	▪ Perception of men as controllers of money and loans.
Economic	▪ Women undertake activities that produce low returns. ▪ Women have a heavy domestic workload.	▪ Gender division of labour ▪ Unequal access and control of land, labour, and inputs ▪ Unequal control of joint household produce and income	▪ Women are paid less for equal work. ▪ Women are bound in household work or low-paid jobs. ▪ Stereotypes of appropriate roles for women in the economy. ▪ Women lack access to markets for inputs and outputs.
Social/Cultural	▪ Women are not literate or educated. ▪ Girls' education is not prioritised.	▪ Limited role for women in household decision-making ▪ Violence toward women	▪ BDS providers and financial services do not view women as a potential market. ▪ Women's mobility constrained by social norms. ▪ Negative attitude toward business women
Political/Legal	▪ Women lack confidence to claim political/legal rights.	▪ Women lack legal rights to jointly owned household assets	▪ Women's legal rights to household assets not defined in law or useful for collateral. ▪ Women lack political positions to establish appropriate laws. ▪ Women lack legal rights to land (traditional and formal).

'Triple-A' Approach to ESS

Stage I: Analysis

OVERVIEW

ESS should cater to the demands of enterprises. This is a major guiding principle in designing an intervention; therefore, the aim of stage I is to carry out a thorough analysis of the present situation at various levels. In general, three levels can be distinguished as follows:

- micro-level: individual entrepreneurs, groups, and villages;
- meso-level: intermediary institutions or service providers; and
- macro-level: policy-related and regulation based institutions/agencies.

APPA and MAD can help with the analysis at the micro-level (individual entrepreneurs, groups, and villages). These analyses; however, can be preceded and complemented with an analysis at the meso-level (district or provincial) to obtain a more complete picture and allow for the design of a more appropriate intervention. In stage I, several tools are used to support this analysis.

Analysis

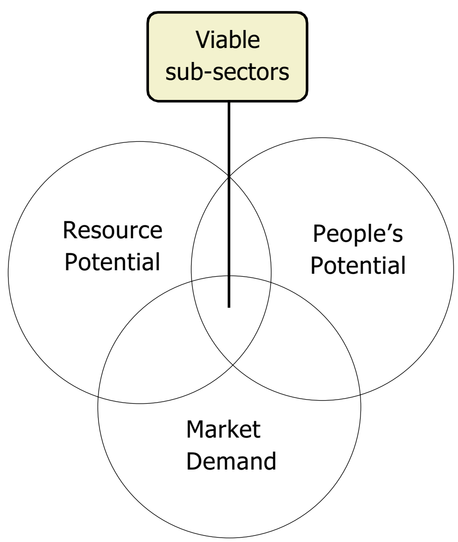
- *provides an overview of market demand, resources, and people's potential;*
- *selects sub-sectors and conducts an analysis for each one of them; and*
- *uses various tools for institutional and organisational analysis and BDS analysis.*

METHODOLOGY

Step 1: *Use the district mapping tool to get a district overview*. At the district level, market demand, resources, and people's potential should be taken into account when designing an intervention. These three key elements of analysis are represented in the figure below by circles.

Ideally, an intervention should take place where the elements overlap, as this is the area with the highest impact and the highest potential for success. This usually comprises of one or more sub-sectors.

Demand-Driven Approach



For a district overview, existing data can be collected and analysed. Additional surveys need to be carried out to collect information on the key elements.

Entrepreneurs have to assess the market demand for a product, identify opportunities and constraints to target the demand, and develop strategies to reach the chosen markets. A demand-driven approach implies that these factors are taken into consideration when determining whether a product is viable or not. It involves finding out what the customer wants and helps to set-up the production and marketing system that meets the demand and maximises income.

ESS can draw information from MAD (chapter 3) regarding the selection of the most viable products, identification of potential markets, and the means for marketing.

Step 2: *For a specific sub-sector, use the information drawn from the sub-sector analysis described in MAD (stage II, step 1)*. Sub-sector analysis has become more widely used in recent years and is advocated by many organisations as an excellent start for any intervention.

It is a vertically integrated group of enterprises (both small and large) concerned with the same product group, for example, non-timer forest products (NTFPs). The approach is built on the view that enterprises in the same sub-sector or trade face constraints that are common to them and that are distinct from other sectors. The main objectives of sub-sector analysis are as follows:

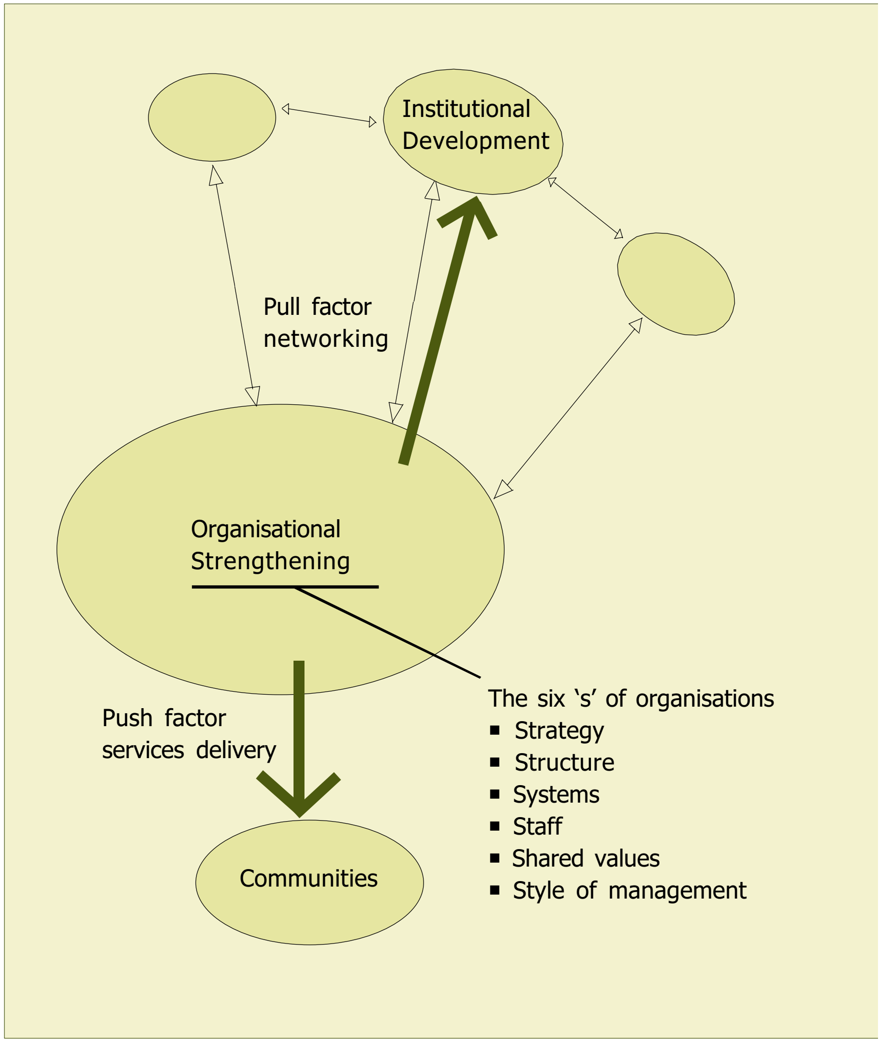
- to link a product to an (expanding) market;
- to make strategic functional enterprise interventions; and
- to analyse beneficial links among key sub-sector participants.

With regards to selecting sub-sectors, the district overview discussed in step 1 will be a major source of information. The district overview will be looking for opportunities with sub-sectors that can have as much impact as possible throughout the district population.

In the case of an existing sub-sector, the district overview will provide information on opportunities for market demand of new or improved products, and on the number of existing and potential individuals or villages in the district that could become involved in this sub-sector. Interviews at the community level will give some indication of the levels of investment and income that activities in the sub-sector can realistically provide.

For example, the district overview may indicate a need for poultry and meat products in the district, if these are currently imported from other areas. It will provide information on how many villages in the district are suitable for the production of these products and will assess issues such as pasture, feeding, existing coverage of veterinary services, road infrastructure, cold store locations, etc. Interviews with farmers will indicate the level of income they can earn from such products, problems they may face with livestock production and market access, and strategies needed in order to overcome constraints.

Relationship between Institutional Development and Organisational Strengthening



In the case of a new sub-sector aiming to explore new opportunities based on trends in market demand, the resource base is an important indicator of the extent of impact that the new sub-sector can have. For example, if there are many farmers growing wheat yet few grain mills, and there is an expressed need for milled flour throughout the district in order to substitute imported flour, then one can assume that grain milling is a potential enterprise for a large number of communities. The sub-sector ranking grid and the sub-sector frequency matrix can assist the selection of sub-sectors.

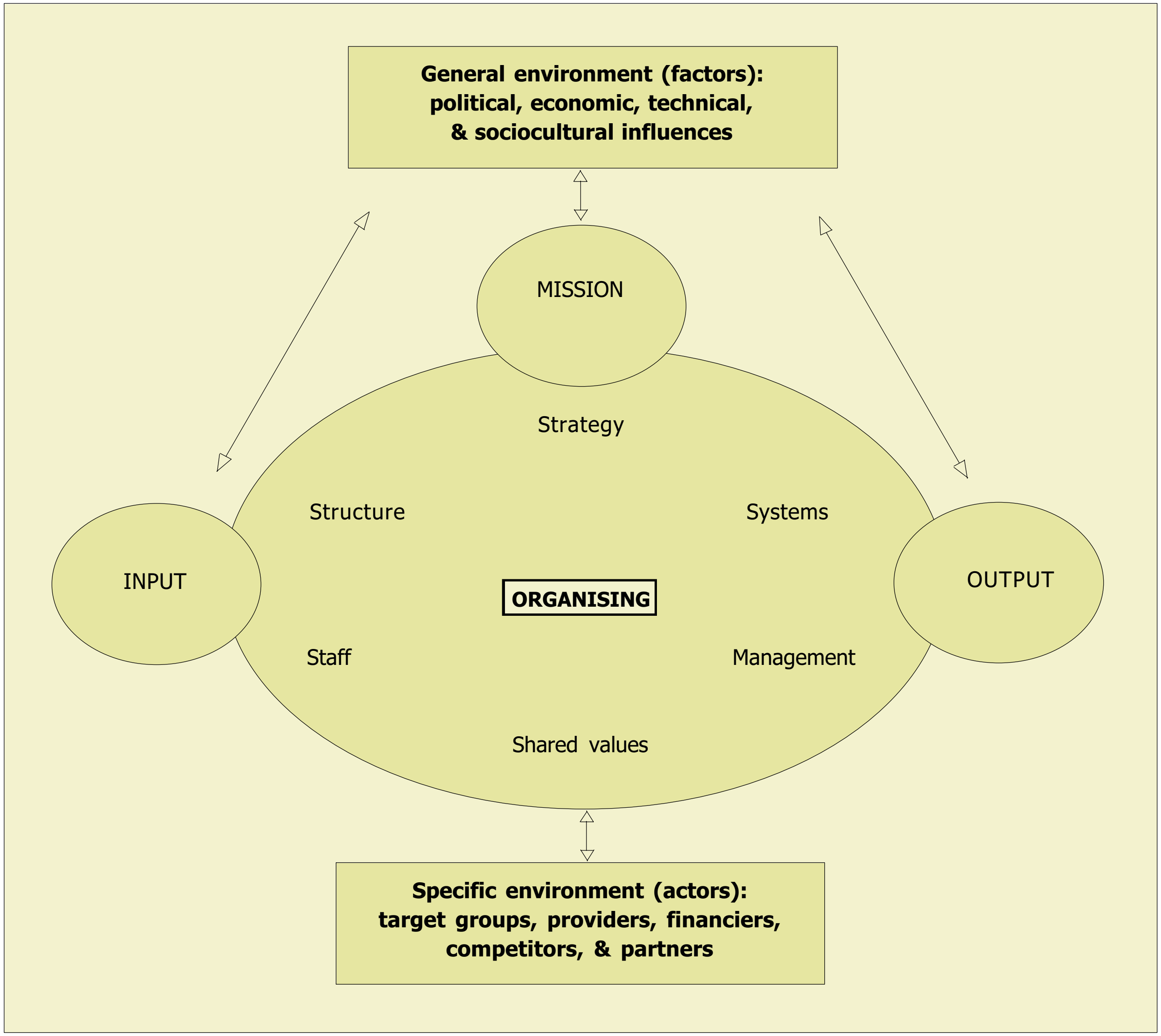
Step 3: *Conduct institutional and organisational analysis with specific tools*. The concepts of developing institutions and strengthening organisations have become increasingly important in the design of development interventions. The figure on page 111 presents the relationship between the two concepts.

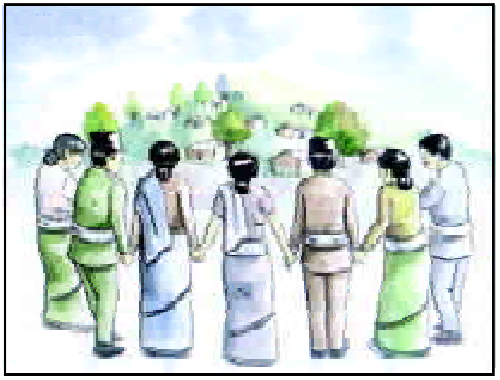
In the context of ESS, institutional development is about creating or reinforcing a network that creates a favourable environment for enterprise development. This network comprises of players from the government, private sector, and civil society, and each sector plays a different role in supporting enterprise development. Organisational strengthening involves actions to improve the capacity of an individual organisation to provide support services. It deals with the analysis of the institutional setting and individual organisations. The institutional setting involves the whole organisation, including its interrelationship with other organisations, which at different levels influences the development of an enterprise.

Institutional analysis comprises of two things: the factors influencing enterprise development and the actors involved in facilitating enterprise development. Different tools such as the actogramme, coverage matrix, and factogramme help to analyse the institutional setting.

An organisation needs to be thoroughly analysed before building its capacity to deliver services to enterprises. The aim of organisational analysis is to improve its effectiveness and efficiency that will result in increased service-delivery capacity. The integrated organisational model (IOM) tool can be used for this purpose. This model (next page) consists of five external components: mission, output, input, general environment, and specific environment and six internal components: strategy, structure, systems, staff, style of management, and shared values.

Integrated Organisational Model (IOM)





Step 4: *Analyse business development services using the BDS matrix*. A BDS matrix is a useful tool for sector analysis and identifies constraints, opportunities, and potential support initiatives according to the categories of BDS (market access, training and technical assistance, input supply, technology and product development, infrastructure or logistics, policy/advocacy, and financing). For each category, the constraints and opportunities, the service and clients, the existing provision of services, and the constraints to the provision of services are analysed.

Definition of the Components of the Integrated Organisational Model

External components

Mission is an organisation's overall objective(s) and main approach that explains why the organisation exists and what it wants to achieve with identified means. *Output* includes all material and non-material products and services delivered by the organisation to its various target groups (clients or customers). *Input* includes all the resources available for generating the products and services of the organisation. *General environment* (factors) means a complex set of political, economic, technical, social, and cultural factors that influences this type of organisation. *Specific environment* is the relationship the organisation shares with actors.

Internal components

Strategy refers to the way the mission is translated into concrete objectives and approaches. *Structure* is the formal and informal division and coordination of activities and responsibilities. *Systems* comprise of the internal processes that regulate the functioning of the organisation. *Staff* refers to all activities, rules, and regulations related to staff motivation and utilisation and development of staff capacity. *Style of management* is the characteristic pattern of behaviour of management. *Shared values* (culture) are the shared values and norms of the people working in the organisation.

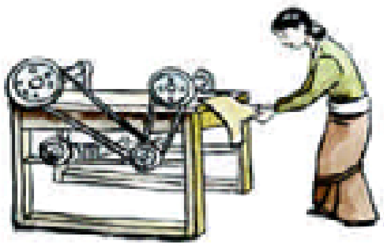
GUIDELINES

1. When analysing the market demand, the market system should be taken into account. A market system is a dependent set of direct and indirect factors, which in some way or another influence the process of getting a product to a targeted buyer. It starts with the producer or collector and ends with the consumer.
2. There are several degrees of thoroughness that sub-sector studies can adopt. It is therefore important to be clear from the onset what kind of information is needed to avoid carrying out a study that is too detailed and irrelevant to entrepreneurs.
3. In order to select a sub-sector, criteria have to be determined. Some commonly used criteria are as follows:
   - unmet market demand (important);
   - opportunities for linkages;
   - potential for employment generation;
   - number of enterprises able to engage in linkages;
   - potential for increase in household income;
   - coordination/synergy with other donors or government;
   - representation of women; and
   - matching mandate with that of the intervening organisation.
4. Sub-sector selection should take into consideration improving or correcting existing inequities, for example, ones that only benefit men to the detriment of women-owned enterprises.
5. The institutional and organisational analysis, BDS matrix, and participatory action research (PAR) can be used within the sub-sector analysis or separately.
6. If necessary, use the PAR tool which can help in analysing ESS. It is based on a 'learning by doing' approach. A small-scale initiative is started and analysed as it develops. The district overview and the sub-sector analysis can be supported using this approach. This implies focusing on processes as much as the end results, because the process is iterative. The process continuously builds the capacity of the participants to monitor sub-sector analysis and evaluate strategies for support to ensure that entrepreneurs have access to the services they need.

   The approach includes the following steps:
   - starting without a preconceived idea of services that might be in demand. Staff members listen closely to entrepreneurs about their constraints and what exact services might address those constraints;
   - initial service ideas are developed from these discussions, and ideas are drawn for services that exist in the private sector;
   - new services are tested with feedback; and
   - services are modified rapidly and retested to fit according to specific demand.

Use of Tools

District mapping, sub-sector analysis, sub-sector ranking grid, sub-sector frequency matrix, actogramme, coverage matrix, factogramme, IOM, BDS matrix, PAR, and participatory rural appraisal (PRA)



Stage II: Assessment

OVERVIEW

After selecting potentially viable sub-sectors and analysing information, Stage II helps to plan out the necessary intervention. Assessment involves the following steps: strategic orientation (SO), identification of enterprise support services, market assessment of identified services, design intervention, and selection of partners. Through this process, we are able to come up with inputs that can be used for designing the intervention. During this stage, market assessment forms the basis for selecting support services.

Assessment

- *formulates strategic options for intervention based on external and internal analyses;*
- *identifies enterprise support services that address constraints for enterprise development; and*
- *provides insight into the existing and potential market for such services and identifies opportunities and problems related to that market.*

METHODOLOGY

Step 1: *Arrive at a number of alternative strategies using the SO tool*. The SO is one of the tools used to formulate and select strategic options that are based on strengths, weaknesses, opportunities, and threats (SWOT). These are analysed and serve as a basis for formulating strategies. Please refer to the next page.

The SO can be approached using a two-step level: using the SWOT analysis and then the strategic orientation matrix.

The combination of external and internal analyses is called SWOT analysis. The following is a description of the different elements of SWOT.

Strength: an internal characteristic that contributes substantially to the realisation of the organisation's mission. It includes any existing internal asset that will help to take advantage of opportunities and fight off threats.

Weakness: an internal characteristic that negatively and substantially influences the functioning of the organisation. Weaknesses are internal conditions that erode the organisation's position, hamper cooperation with others, or obstruct the exploitation of opportunities.

Opportunity: an external fact or development that, if taken advantage of, can substantially contribute towards the realisation of the organisation's mission.

Threat: an external fact or development that has or can have a substantial negative effect on an organisation's performance.

Strategic options can be formulated that take advantage of opportunities or reduce threats depending on the opportunities and threats. A few options have to be selected based on predetermined criteria or by voting. Options are further selected by matching them with the strengths and weaknesses in the strategic orientation matrix.

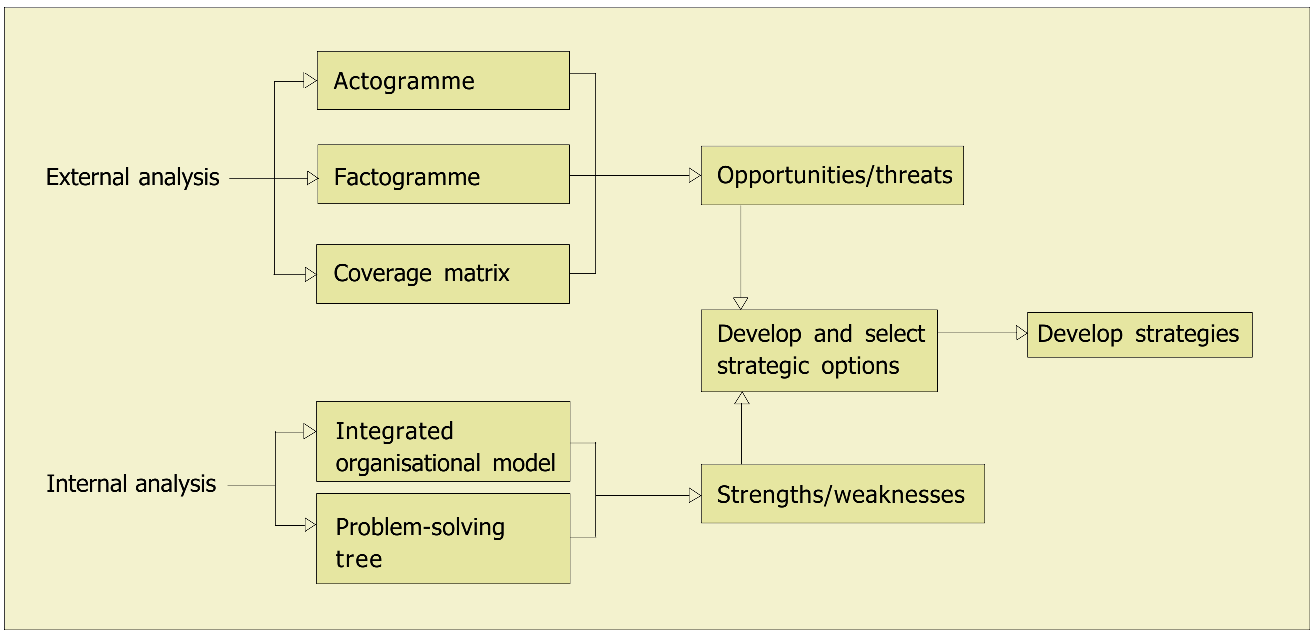
Step 2: *Identify enterprise support services*. Once strategic options have been formulated, the next step is to identify support services that address constraints and opportunities in the development of enterprises. The BDS matrix helps to analyse the existing provision of services and, for each constraint, the services as well as the (potential) provider can be identified. An ESS market assessment of various services will help to select the right service market.

Step 3: *Carry out ESS market assessment*. This assessment creates insights into the existing service market for certain services and products and helps to identify problems and opportunities related to that market. It will be the basis for the design of the intervention. Understanding the market for a particular service involves knowing several aspects, i.e., demand, transaction, supply, technology, etc.

An ESS market assessment should address the following questions.

Demand
- Which types of enterprises are using which services?
- What benefits are enterprises looking for from services?

Process of Strategic Orientation



- How aware are enterprises about services? Do they understand the benefits of the services?
- What is the size of the market?

Transaction
- How big is the market? What percentages of enterprises have tried a particular service?
- Why do enterprises use the service? Why do enterprises not use the service?
- What percentage of enterprises acquire services through fees for service transactions, services embedded in other commercial transactions, services paid for by a commercial third party, and free services?
- How are the services delivered? How do enterprises want services to be delivered?
- What are the service features that enterprises want? How satisfied are enterprises with the supply currently available?
- What is the cost paid by enterprises for services?

Supply
- What types of providers exist?
- What range of products is available?
- What are the strengths and weaknesses of current providers?
- What do enterprises use as substitutes for BDS providers?
- How many providers are there?

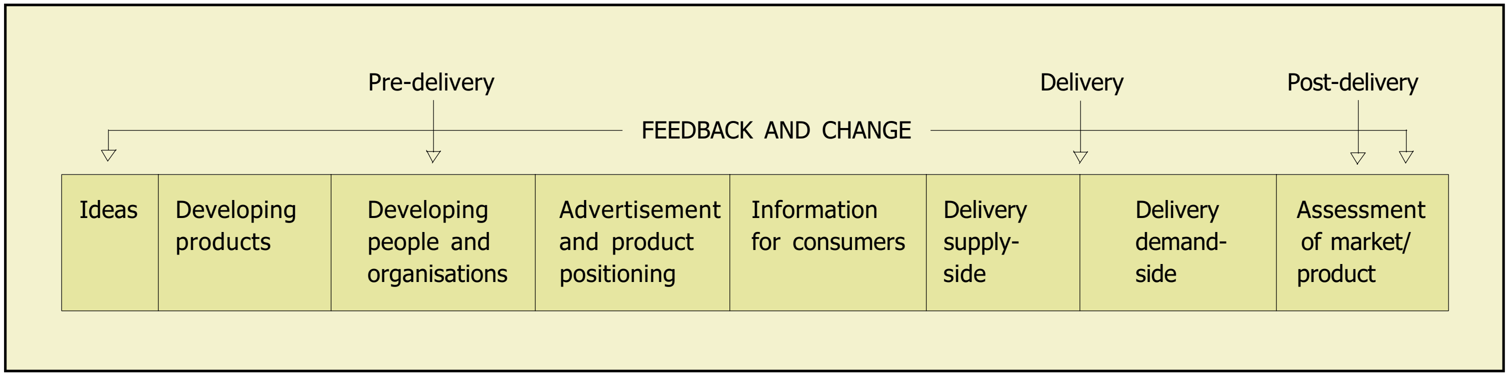
Analysis of this information will provide insights into the market about different services and give an indication of the major constraints of a particular service. More in-depth tools can complement this analysis; for example, the usage, attitude, and image (UAI) study; focus group discussions (FGDs); and suppliers' diagnostics. The UAI study is a consumer research tool. Please refer to guidelines for further information.

A starting point for the development and promotion of services is to consider the consumers of these services and the enterprises. They can provide specific information on

Potential for Intervention

Intervention Matrix		**Supply for service**	
		Weakly developed	**Strongly developed**
Demand for service	Weakly developed	Limited potential for intervention as there is nothing to build on.	Good potential for intervention as there is potential to build on (stimulate demand side).
	Strongly developed	Good potential for intervention as there is potential to build on (support supply side).	Limited potential for intervention as market is effective.

Phases in Delivery of Services



the services they need, their level of satisfaction with the present services (if any), and how they would like to see the services improved. The UAI study has been used to help choose BDS services and design intervention for market development.

Step 4: *Design the intervention*. The ESS market assessment is the basis for the selection of services to support. It will provide valuable input for the design of the intervention. Three things should be considered about the intervention: the potential for intervention, the desired focus of intervention, and the gap between the supply and demand. The potential for intervention will depend on the strengths of the market. This is in turn determined by supply and demand. The best starting point for an intervention is the market with a weak demand and strong supply or vice versa.

The existing market will face fewer distortions, if the intervention occurs at either the pre-delivery or post-delivery phase (figure above). These interventions maintain or promote competition in the market, are limited in time, and do not damage the relationship between (commercial) suppliers and enterprises.

Another consideration when designing the intervention is to differentiate between supply-side and demand-side interventions. Obviously, this choice is related to the outcome of the ESS market assessment.

Examples of demand-side interventions are information to raise awareness of the potential benefits of BDS and incentives to try them, such as vouchers and matching grants. Supply-side interventions include developing new products and services, technical assistance, and training or other capacity-building activities for service providers.

Step 5: *Select service providers*. It is necessary to select suitable partners who will be in charge of implementing the intervention plan. The following criteria should be taken into account when selecting a partner.

Business-like operations: successful service providers deliver services in a business-like manner. These providers are demand-led, entrepreneurial, focus on core businesses, and understand the needs of clients. Private, for-profit providers tend to demonstrate these characteristics best.

Build on what is already there: build the intervention on what is already in place; this will contribute to sustainability and ownership.

Subsidiary: delegate responsibility to the lowest level possible and to those who are closest to the enterprise, both geographically and socially.

Open access: technical assistance and incentives should be open to all market players in order to prevent distortion of the market.

Selecting provider(s) comprises of several steps.

- Firstly, the institutional analysis and BDS matrix presented in stage I will provide insight into the institutions providing ESS and will help to identify most local organisations that could be potential service provider(s) in the intervention.
- Secondly, the ESS market assessment (step 3) will help to identify the most critical support services needed.
- The third step involves matching the support services needed with the potential service provider(s). A rapid institutional assessment of potential service providers can help make a selection.

GUIDELINES

1. External analysis provides insights into opportunities and threats, whereas internal analysis looks into strengths and weaknesses. Other tools used for this analysis include the district mapping, sub-sector analysis, factogramme, actogramme, and the coverage matrix. Internal analysis can be supported by the integrated organisational model or a problem-solving tree of the organisation(s) concerned.
2. One of the key issues when formulating strategies is the expected leverage. Leverage refers to the ability to impact a large number of enterprises at the same time. Areas with potential for leverage include:
   - enterprise clusters (trade associations or geographic groupings that allow you to work with numerous small firms at a given location);
   - areas of policy constraint (elimination of restrictive practices and regulations that constrain the activities of a large number of entrepreneurs); and
   - key actors (organisations that supply inputs, purchase goods, or provide services to small firms).
3. Markets for different business development services are often very different; therefore, it is recommended to focus only on a few services.

4. The UAI study generates a broad, quantitative overview of a market and pinpoints specific market constraints and opportunities. The study looks at the market for a single service; however, it has been adapted to function as a tool to compare a variety of services and understand the BDS market in general. It gathers information through a survey of consumers, either enterprises in general or a specific segment. By using random sampling, the UAI study generates a statistically significant picture of the market. UAI surveys require skills in market research and statistical analysis, but a reasonably small sample of 100 to 500 can yield accurate data on the entire market.
5. FGDs are targeted discussions with groups of consumers managed by a facilitator. Discussions with service users reveal consumers' experiences with the services, their reasons for using them, their satisfaction with them, and what they want changed. Discussions with non-users reveal how non-users receive the benefits of the service elsewhere, why they do not use the service, what would make them use the service, and what service features they would like. A FGD is a qualitative tool that yields specific ideas for marketing and improved services.
6. The suppliers' diagnostics tool helps to examine the supply-side of the market and helps to obtain providers' views of the market. Information needs to be gathered from a range of different providers: private BDS providers (big and small), informal providers, embedded service providers, government sectors, and NGOs. Suppliers' diagnostics can be carried out by interviews and observations of providers who offer a particular service.
7. Combining suppliers' diagnostics with the UAI consumer research tool helps to identify gaps between supply and demand.
8. Focus of intervention plays an important part in design intervention. Focusing on too many problems and opportunities at once might reduce the effectiveness of the intervention. Begin with a few related problems and opportunities and expand only when there is success.
9. During selection of provider(s), core components of institutional capacity can be analysed: vision, human resources, activities, and financial viability. The partner selection tool can be used for the selection of provider(s).

Use of Tools

Strategic orientation matrix, BDS matrix, UAI study, focus group discussions, suppliers' diagnostics, district mapping, sub-sector analysis, actogramme, factogramme, coverage matrix, integrated organisational model, problem-solving tree, and partner selection

Stage III: Action

OVERVIEW

Stage III provides the process for implementing the intervention. Various resources are presented in Action, which provide further information. Firstly, some commonly used options for intervention are presented. This is followed by considerations to address low-income, remote, and underserved enterprises. After this, core topics such as micro-finance, BDS, and partnerships and networks are presented and finally, performance measurement is briefly addressed.

Action

- *examines various possible intervention tools that address the demand-side and supply-side, or both;*
- *introduces approaches that have proven to be successful in integrating and reaching poorer entrepreneurs;*
- *provides guidelines for micro-finance, business development services, and partnerships and networks; and a framework for the measurement of the performance of the intervention.*

METHODOLOGY

Step 1: *Look at various possible intervention tools/ instruments*. Several intervention tools/instruments have been developed that address the demand-side and supply-side, or both. These are briefly presented below.

Vouchers and matching grants address enterprises' lack of information about services and reluctance to try a service. The aim of this tool is to induce the market for BDS by providing information and encouraging enterprises to try services by subsidising their initial purchase.

Information to enterprises addresses enterprises' lack of information about services and providers. Its aim is to expand demand by increasing awareness.

Clusters or networks address enterprises' lack of ability to pay for services and provider inability, or unwillingness to sell services in small enough quantities for individual enterprises. Its aim is to help enterprises overcome diseconomies of scale when purchasing services by enabling them to purchase services in groups.

Business linkages address enterprises' isolation and inability to pay for services up front. It also addresses providers' lack of knowledge about enterprises. Its aim is to create or expand BDS embedded within business relationships between enterprises and other firms.

Technical assistance addresses providers' lack of technical or managerial skills. Its aim is to build the capacity of new or existing service providers to serve enterprises profitably.

Product development and commercialisation address lack of appropriate products for enterprises in the market and provider reluctance to target new consumer segments. They aim to commercialise new products and services through existing providers by assisting with product development, market testing, and initial marketing of new products.

Social venture capital addresses a lack of supply in the market. Its aim is to increase the supply of services by assisting providers to expand or help new providers enter the market.

Step 2: *Prioritise underserved enterprises*. In developing countries, there is usually a group of poorer entrepreneurs who are underserved in ESS. This could be due to remoteness, non-functioning markets, or social barriers such as gender or ethnicity. For an organisation such as SNV/Nepal, for example, combining the market development approach with ESS and integrating and reaching the poorer segments of entrepreneurs provide a special challenge.

Although additional research is needed about how service markets include and exclude the poor, some approaches used by SNV/Nepal have proven to be successful in addressing this challenge.

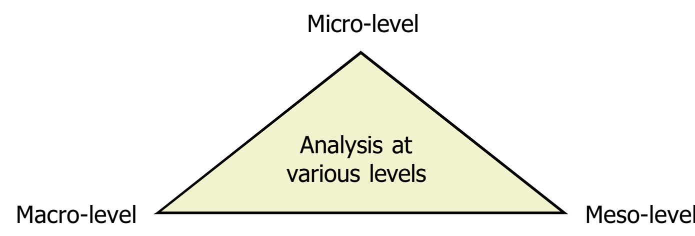
From Social Mobilisation to economic development. The process of SM presented in this toolkit supports the establishment of groups. These groups form a good basis to advance the economic activities of group members. APPA (for example, the entrepreneur's window) supports the identification of potential viable economic activities and MAD helps to develop these economic activities into profitable enterprises. The establishment, support, and growth of these enterprises can be facilitated by ESS presented in this toolkit.

Self-learning. A few key members of the groups can access certain services (for example, training in business planning) and can share this knowledge with their fellow group members.

Clustering and networking. Groups might have access to services that individual entrepreneurs might not have access to. The advantage of clustering and networking is that it will result in economies of scale. Furthermore, a group of entrepreneurs requiring the same service is usually in a better position to negotiate with potential providers.

Multi-actor approach. Usually, a variety of actors are involved in providing services to potential, starting, and existing entrepreneurs. These actors come from the private sector, government, and civil society. Each plays a distinctive role and coordination between them is important when it comes to targeting underserved entrepreneurs.

Linkages. Facilitating linkages is particularly helpful for underserved and small entrepreneurs. It eliminates certain



misconceptions that providers of services and bigger entrepreneurs have toward small entrepreneurs. It creates win-win situations.

Step 3: *Consider experiences and best practices of micro-finance services*. Financial institutions around the world successfully reach the poor and, at the same time, recover their costs. The following studies indicate critical success factors for the sustainable delivery of financial services to the poor.

Targeting of clients. To ensure that the financial services offered reach the poor, some form of targeting is required. Although this traditionally meant a process of in-depth household surveys, other more cost-effective approaches (based on rapid appraisal techniques) or indirect approaches (such as simply limiting loan size) can yield much the same results. A preference for women clients is adviced.

Design of savings' and credit instruments and technology. The financial services offered by a MFI must be designed in response to the needs and capacities of the clientele and not just be down-market versions of services provided to better-off clients.

Quality of services. Access to financial services must be cost effective for the clients. This means recognising the total set of costs related to a particular transaction (for example, time, transport, collateral, and service fees) and not just the direct cost in the form of interest charged. Most importantly, more than being cheap, services need to be timely and accessible.

Managing costs. Operating costs are kept low and tightly managed by ensuring that each unit (branch) is managed as a separate cost centre that must reach certain performance targets.

Focusing on financial services. Poverty is a complex problem with many dimensions. MFIs should focus on what they do best (financial intermediation) and leave the other components of poverty alleviation to other players. Supplementary services (such as training and enterprise development support) should be kept to a minimum and, if offered, be provided on a cost recovery basis.

Management information system. Financial intermediation is a complex task and requires up-to-date and accurate information for decision-making. Accounting and record keeping systems must be designed and maintained in a manner that generates required information on a day-to-day basis for the long-term management of the MFI.

Step 4: *Study key factors regarding business development services*. Compared to micro-finance, BDS is a relatively new concept. The following are core issues that have began to emerge from literature and workshops from experienced organisations around the world.

Market development approach. Interventions need to focus on facilitating the expansion of the market for BDS rather than engaging directly in the delivery of services. To do this, it is essential to have a sound knowledge of the market and interventions need to be designed with specific market development objectives. Interventions need to be able to respond quickly to the market with room for flexibility.

Role of subsidies. In the market development approach, subsidies for transactions should be avoided or limited to a short duration with specific objectives. Subsidies that directly reduce the cost or price of services are likely to distort markets more than subsidies for pre- or post-delivery activities.

A Number of Core Practices Based on a Study of SCOs in Nepal

Vision for growth
Community-based savings' and credit organisations are most likely to grow into large, sustainable financial institutions when they start with at least 25 members. These organisations share a vision to develop the organisation into a formal financial institution owned, controlled, and capitalised by the members themselves.

Effective governance
As such, savings' and credit organisations (SCO) must establish a disciplined approach to savings' mobilisation from the outset. There should be a clearly defined governance structure and process that is characterised by decisions made democratically and transparently.

Financial sustainability
The financial sustainability of savings' and credit organisations is best secured by applying higher-than-(formal) market rates on loans and at least equivalent-to-market rates on savings. The resulting financial spread (generally greater than 10%) is required by the savings' and credit organisation to break even, given the relatively small size of its financial portfolio. Operating costs should be kept to a minimum.

Credit services
Credit services should focus on small, short-term productive loans that are processed quickly and transparently. These loans need to be secured, but internal guarantees (in the form of unencumbered savings, peer pressure, or usually a combination of the two) are adequate mechanisms to ensure high rates of repayment and collection.

Institutional development
The process of scaling up and institutionalising an organisation initially involves codifying the groups' accepted values and norms (particularly those related to democratic decision-making and autonomy). These are translated into formal by-laws and policies as part of the formal registration process, usually as a cooperative. Thereafter, savings' and credit organisations learn how to best meet members' growing expectations for improved services.

Separate role of provider and facilitator. The role of the provider (organisations that are directly involved in the delivery of services to enterprises) needs to be separated from the role of the facilitator (organisations that support other organisations to provide services to enterprises). This is because facilitators have more of a development agenda, whereas providers are more commercially oriented. Mixing the two roles easily results in ineffective programmes. Interventions should focus on the facilitator's role, unless the facilitator's services are commercialised.

Competition and efficiency. Interventions are often focused on one or a small number of providers, which could distort market competition. If circumstances allow, it is better to promote competition among providers by working with more providers. This will contribute to the efficiency of the intervention.

Exit strategy. The intervention should have a clear exit strategy. Once a sustainable market for (certain) BDS has been developed, the intervention has been successful.

Step 5: *Identify key qualities for forming partnerships and networks*. There are a variety of partnerships at the micro, meso, or national levels. In order to be effective, partners need to have the following characteristics:

A common purpose. Members that form a network should be driven by a common purpose based on common issues faced. Organisations that form a network should have a shared vision and a similar concept of what needs to be addressed and how.

Sharing and communication. The sharing of experiences, skills, information, and resources is essential for a well-functioning network. There should be good communication links.

Values. Partners in a partnership or network should have similar values and these should be discussed before making any commitments.

Linkages. Linkages in a network should be established between members and between members and their centre (secretariat). Further networking should take place before the network structure is put into place.

Decision-making. A core group for making decisions should be identified and maintained. When a structure is put into place, it must be supported across the membership.

Roles and responsibilities. Boundaries and distinctive roles should be maintained. Members must be prepared to contribute to their network before expecting to take anything from it.

Benefits. A network should not only be strong in itself, it should also contribute to strengthen its individual members.

Step 6: *Include performance measurement*. Performance measurement is needed by providers in order to improve the design of instruments and services in response to client demand. Donors need to measure performance to facilitate their decision about interventions to support market development for services. The following three categories of performance measurement are emerging.

1) Outreach
   - expand the market for BDS;
   - develop a high-quality, diverse, competitive market; and
   - increase accessibility of BDS to underserved groups.
2) Sustainability and cost effectiveness
   - promote sustainable access to services; and
   - maximise programme cost effectiveness.
3) Impact
   - increase consumer acquisition of BDS;
   - increase customer use of BDS; and
   - increase customer benefits from BDS.

A performance measurement framework including goals, objectives, and indicators has been developed and is presented on pages 128 and 129.

Case Study of Micro-Enterprise Development Programme

Initiated by His Majesty's Government of Nepal's Ministry of Industry, Commerce, and Supplies, the micro-enterprise development programme aims to reduce poverty of low-income families and build the capacity of organisations that deliver services. The programme's priority is to build sustainable partnerships among government organisations, local government bodies, non-government organisations, private sector institutions, business membership organisations, and local people. The following points indicate the kinds of linkages that have been facilitated with different stakeholders playing different roles. At the entrepreneurial level, the following guidelines exist for helping entrepreneurs to create alliances.

Assessment of constraints: entrepreneurs begin by assessing the main constraints of (the development of) their business.

Identification of critical services: entrepreneurs list the areas where the need for external assistance is most critical and types of services that are needed.

Selection of members: other members in the market chain are selected who could benefit from the alliance and services provided (continued on next page).

Identification of service providers: indirect actors, who are likely to assist in overcoming some of their constraints, are selected for each of the target areas of development. For example, those who can help to solve technical problems, improve management of the enterprise, or contribute to overcoming policy problems.

Assessment of existing relationship: an assessment is conducted for the (potential) service providers identified, of the nature of existing relationships, and of how they need to be changed.

Creation of linkages: linkages are developed with selected key actors.

Performance Measurement Framework

Goal 1: Increase Outreach (Scale and Access)	
BDS market development indicators	
Objective	**Indicators**
Expand the market for business development services.	▪ Number of enterprises acquiring a service through any method and purchasing a service through commercial transactions* ▪ Amount of sales by BDS providers* ▪ Market penetration: percentage of potential SE market acquiring a service through any method and purchasing a service ▪ A programme's market share of all services acquired through any method and all services purchased ▪ Awareness: percentage of enterprises aware of a service ▪ Reach: percentage of those aware who have purchased a service at least once
Develop a high-quality, diverse, competitive market.	▪ Number of BDS providers* ▪ Number of BDS products ▪ Retention: percentage of multiple purchasers out of all purchasers ▪ Satisfaction with last service purchase ▪ Reasons for purchase, non-purchase, and choice of provider
Increase access of underserved groups to BDS.	▪ Extent of access: percentage of enterprise customers purchasing a service that represents a targeted population (women, micro-enterprises, exporters)* ▪ Target market penetration: percentage of potential enterprise-targeted markets (women, micro-enterprises, exporters) acquiring a service through any method and purchasing a service

Goal 2: Sustainability and Cost Effectiveness	
Assessing BDS providers	
Objective	**Indicators**
Achieve providers' sustainability	▪ BDS provider financial sustainability (non-donor revenue/total expenses)* ▪ BDS contribution margin (enterprise revenues from a service — direct expenses for the service/ total expenses) ▪ BDS viability (revenue from a service/direct expenses for the service)
Improve programme cost effectiveness	▪ Simplified cost-benefit assessment comparing annual programme costs to aggregate annual programme benefits for entrepreneurs* ▪ Annual programme expenses per customer served* ▪ Annual programme expenses per provider assisted* ▪ Annual programme expenses per firm that 'used' a service ▪ Annual programme expenses per firm that reported benefits from a service

Goal 3: Impact	
Assessing BDS customers	
Objective	**Indicators**
Increase customer acquisition of BDS	▪ Customer satisfaction with a BDS* ▪ Repeat customers (percentage of customers who buy more than once)*
Increase customer use of BDS	▪ Percentage of customers who improve business practices, as defined by the provider*
Increase customer benefits from BDS	▪ Change in gross profit*

Note: these indicators are in use in a fair number of BDS programmes. Note that the indicators under 'market development' with an asterisk (*) are mainly used to assess the outreach of particular programmes, but are not widely used to assess the BDS market in general.

Stage III provides guidelines for the following topics

- Partnerships and networks
- Business development services
- Micro-finance

GUIDELINES

1. Linking savings' and credit: savings is viewed not only as a pre-requisite for credit, but as an important financial service in its own right. While regular, equal, and contracted savings are a useful entry point for mobilising the poor, especially poor women, their needs for savings' services are much more complex and other forms of savings' instruments must be developed in response to their needs.
2. Interest rate structure: the spread between the interest rate offered on savings and the interest rate charged on loans is sufficient to recover costs of the institution (including operating costs, other financial costs, loan losses, and inflation).
3. Cost coverage: as with the provision of financial services, in order to be sustainable, service providers need to be able to cover the costs of their services through transactions with enterprises.
4. The intervention needs to be developed with a vision of sustainability.
5. The members of the interest group form work groups for each area of enterprise development (market/economy, environment/resource management, social/institutional, technology) and together discuss what kinds of partnerships could help them overcome some of the constraints in that area. Non-financial partnerships for marketing include associations comprising of several production groups to promote trade linkages and standardise product quality. Other stakeholders in the area may want to be involved in the organisation in some way, i.e., local traders, Chamber of Commerce, and local NGOs.

Use of Tools/Instruments

Vouchers and matching grants, information to enterprises, clusters or networks, business linkages, technical assistance, product development and commercialisation, social venture capital, rapid appraisal techniques, and performance measurement.

Participatory Learning and Action (PLA) Tools

They engage communities in development through interactive and participative processes. They take into account that people and communities are not only a source of knowledge and information, but that they have the skill to collect, order, and analyse it. Such joint learning experiences are essential to generating new inspirations and ideas about how to address challenges.

Actogramme

Objective To make an image of the institutional setting showing relevant actors and their relations — it shows all relevant actors, all relevant relations, the intensity of relations, and the adequacy of relations. An actogramme helps to achieve the following goals:

- understand the complexity of the environment;
- identify opportunities and limitations for improvement of relations; and
- gain common understanding between actors.

Material Papers, meta-cards, pens, markers, and flip charts

Time Half-day

Process

1. What is your basic question for making the actogramme?
   - identifying where to position a project;
   - identifying opportunities for strengthening cooperation between actors; and
   - identifying opportunities for expansion of services.
2. Define the field of analysis:
   - the sector (for example, enterprise development);
   - the geographical area; and
   - present or future operations
3. Define the orientation:
   - project centred (focus on relations between a project/organisation and other actors); and
   - relation centred (focus on relations between all the actors)

4. Define the type of actors to include:
   - organisations (public/private, sectoral);
   - level of analysis (officer, unit, department, organisation, clusters of organisations); and
   - clients/target group (entrepreneurs, farmers, etc.)
5. Define the type of relations to look into:
   - hierarchical lines (who give orders to whom);
   - cooperation (who cooperates with whom);
   - operational (who provides inputs/services to whom); and
   - financial (who finances/pays who)
6. Draw the map indicating the actors involved using different types of lines for different types of relations.
7. Indicate the quality of relations (intensity/importance).
8. Analyse the network.
   - What are the opportunities for improving relations between actors in order to improve the quality, effectiveness, and/or efficiency of services?
   - What are the threats to the present quality, effectiveness, and/or efficiency of services offered?
   - What can be done about these threats?

Comments and Application

- It is recommended to use the actogramme together with other tools (coverage matrix, factogramme) to create a comprehensive picture of institutional setting.
- A variety of actors should participate in the exercise in order to get a balanced picture.

Analysis Group Discussion

Objective To introduce the concept of analysis group discussion

Material Large sheets of paper and markers

Time 20 minutes

Process

1. Involve the field team and outsiders with skills and experiences (for example, village worker, teacher, mid-wife).
2. Introduce the concept of analysis group discussion.
3. Let the participants choose four to six different projects which they would want to discuss and compare.
4. Allow them to focus and express their ideas.
5. Allow community members to express their priorities and choices and do their own analysis.
6. Rank the projects according to feasibility.
7. The feasibility scores are compared and, if necessary, weighed.
8. Discuss the steps for further action.
9. Review and summarise the results of the appraisal in the form of diagrams and tables for presentation.
10. The team evaluates the findings and the methods used.

Rules for Analysis Group Discussion

1. Listen
2. Learn
3. Facilitate
4. Don't dominate
5. Don't lecture
6. Don't interrupt
7. Respect other people's opinion
8. Set agenda and prepare discussion by summarising findings beforehand

Comments and Application

- Analysis group discussion on the basis of a priority matrix is a good way to generate a higher level of participation.
- After deciding projects, the team completes an innovation information sheet (refer to table 2) for each innovation answering key questions.

Table 1: Example of a Priority Matrix

Least + good ++ Best +++									
Innovation or project	Benefit for community	Community participation	Sustainability of innovation	[illegible]	Cost to implement	Time to benefit	Technical feasibility	Feasibility score	Priority
Clinic	+ + +	+ +	+ +	+ + +	+ +	+ + +	+ + +	18	A
Preschool	+ +	+ + +	+ +	+ +	+ +	+ + +	+ +	16	C
Well repair	+ + +	– – –	+ +	+ + +	+	+ +	+ + +	17	B
Credit programme	+ +	+ +	+	+ +	+	+	+ +	11	D

Table 2: Innovation Information Sheet

What?	
Why?	
Where?	
When?	
Who implements?	
Who benefits?	
How?	
Cost?	

Table 3: Innovation Assessment

This is the final stage of analysis group discussion, and helps to assess and prioritise possible options for development activities based on the following aspects:

- amount of benefit for the community;
- degree of community participation;
- sustainability of the project;
- equitability of distribution of benefits;
- cost to implement;
- time it takes before community benefits; and
- technical feasibility.

BDS Matrix

Objective To analyse business development services by identifying constraints and opportunities related to different categories of services and analysing the existing provision of services

Material Papers, meta-cards, pens, markers, and flip charts

Time Half-day

Process

1. Identify the categories of services to be analysed.
   In general, the following categories of BDS can be distinguished:
   - market access;
   - training and technical assistance;
   - input supply;
   - technology and product development;
   - infrastructure and logistics;
   - policy/advocacy; and
   - financing.
2. Formulate for each category of service the following aspects:
   - constraints and opportunities;
   - required services and target of those services;
   - existing provision of services;
   - constraints to the provision of services; and
   - comments on the (mis) match between required services and existing services.
3. Analyse the matrix and draw conclusions.

Comments and Application

- In order to focus the analysis, it is helpful to focus on a specific sector and, if needed, repeat the exercise for other sectors.
- As much as possible, the information in the matrix should be supported by other studies.
- Involvement of all the key stakeholders in the service delivery from the government, private sector, NGOs, and users is essential and will contribute to the validity of the analysis.

Example of a BDS Matrix

Category	Constraints/ opportunities	Service and clients	Existing provision of service	Constraints to the provision of service	Comments
Market access					
Training and technical assistance					
Input supply					
Technology and product development					
Infrastructure & logistics					
Policy/advocacy					
Financing					

Brainstorming and Cluster Techniques

Objective
- To quickly develop an unconstrained and non-evaluated list of issues, topics, and questions using the collective insights of a group for later discussion, grouping, clustering, sorting, and prioritisation
- To help in team building

Material Flip charts, small sheets of cards or paper, tape, white board, and pens

Time 30 to 45 minutes

Process

1. Ask the group to appoint a recorder who will not participate in the session, but will make a note of all the proceedings.
2. Ask the group to think of the different issues and topics related to the particular subject of the day.
3. Encourage the group of participants to think adventurously. Everything must be noted, even the wildest of ideas. Encourage the quantity of ideas on the issue/topic rather than the quality — the more ideas generated, the better.
4. Two options for recording brainstorming
   - People call out their ideas and the recorder writes them down each on a flip chart of white board. It is basically a collection of all the ideas — no evaluation or comments on the ideas are provided.
   - People write down the issues, their ideas, and questions on pieces of the cards provided earlier. These are then collected and pasted on the board.
5. The cards that are pasted on the board are grouped according to broad topics. Exact duplicates may be removed, but all other cards must remain on the board — even the most outrageous.
6. Participants can join in to cluster the different cards according to the broad topics.

Comments and Application

- The brainstorming and cluster techniques' tool is quite flexible and can be used for a variety of purposes. It is a very useful way of involving all the trainees in almost all the discussions. Even the most reserved participants feel bold enough to let their ideas flow (ideas are generated on a focused issue/topic, which makes the process very quick).

Snowballing: A Variation to Brainstorming

1. Divide the whole group into pairs, and each pair is asked to brainstorm and write down ideas on cards/pieces of paper.
2. After a few minutes, two pairs join and compare lists and prepare a list that captures the ideas of four people. This process is repeated in a larger group.
3. After a few minutes, the group of four members becomes eight, and brainstorming and listing continues.
4. Continue the formation or 'snowballing' of larger groups every few minutes, until you have a master list of the whole group.
5. This process needs to be relatively quick with groups joining every few minutes (use a bell to move people along).

Buyers and Sellers' Game

Objective To raise awareness on strategies for pricing and on positive and negative aspects of competition

Material
- Fake money (photocopies of local currency) in bills of 100 and 20 — if the group consists of three buyers and 12 sellers, prepare a total of 1,500 (currency) for each buyer with a combination of 10 bills x 100 currency = 1,000 (currency) and 25 bills x 20 = 500 (currency).
- For each seller, prepare meta-cards with each meta-card representing one kg and give five kg to each participant.
- Two prizes

Time One hour

Process

This game can be played with participants from various backgrounds. It can be used with village collectors, facilitators, and programme staff.

1. For a group of 15 participants, select three buyers and 12 sellers (if there are men and women, make sure at least one woman is a buyer). If there are traders amongst the participants, then make sure that they are all playing the game as sellers, not as buyers.
2. The maximum playing time is 10 minutes. Explain that the objective of the game is for the sellers to earn as much income as possible with their product, and the buyers have to buy as much product as possible within the time limit. The winning seller is the one who has earned the most cash, while the winning buyer is the one who has bought the most 'kg' of product.
3. Before the game begins, you can separate the buyers and sellers and facilitate a discussion with each group in order to encourage them to try to work out a strategy to meet their objectives.
4. Start the game. Have the three buyers set up their booths separately from each other. When time is beginning to run out, call out five minutes, three minutes, and then one minute in order to speed up transactions and introduce the element of last minute closing of deals.
5. After the game, ask the buyers how much they sold and determine who the winner is. Similarly, ask the sellers who earned the most cash. Most importantly, ask the winners what strategy they used. Also ask other participants about their strategies. Make sure you ask some of the women about their methods.
6. Finally wrap up the game by testing the understanding of participants by encouraging them to talk about how competition can result in higher prices in some cases and lower prices in other cases.

Coverage Matrix

Objective To analyse the involvement of various actors in different enterprise support services — it shows all relevant actors, all relevant support services, and involvement of actors in providing those services. It helps to identify gaps and concentrations/overlaps for identifying possibilities for improved referral, coordination, and collaboration.

Material Papers, meta-cards, pens, markers, and flip charts

Time Half-day

Process

1. Formulate a question for analysis.
2. Define your field of analysis
   - the sector and the geographical area of operation.
3. Choose your focus — activities or target group:
   - list activities in the sector (products/services delivered);
   - select around 10 major activities;
   - cluster the activities and give a heading to each cluster; and
   - order the cluster and mark the most important ones with an asterisk (*).
4. List organisations related to your field of analysis:
   - cluster the organisations and give a heading to each cluster; and
   - order the clusters.
5. Draw the matrix.
6. Indicate the involvement of the different actors:
   - \- no involvement;
   - \+ limited involvement;
   - ++ substantial involvement; and
   - +++ major involvement.

   If there are many actors/activities, indicate involvement per cluster.
7. Analyse the matrix:
   - identify gaps and constraints/overlaps; and
   - identify possibilities for improved referral, coordination, and collaboration.

Comments and Application

- It is recommended to use the coverage matrix together with the other tools (actogramme, factogramme) to create a comprehensive picture of the institutional setting.
- A variety of actors should participate in the exercise in order to get a balanced picture.

Observations

- There are various organisations involved in information services.
- There are various organisations involved in technical training and advice and business management training and advice.
- Limited attention is given to the organisation of the target group.
- Limited attention is given to institutional development.
- There is a limited number of banks providing credit.

Example of Coverage Matrix Small and Medium Enterprise (SME) Development

	Chamber of Commerce	Community development	SME agency	Institute for innovation	Technology development projects	Credit project	Banks	Church dev. organisations	SME project
Business support									
Business promotion		XX				X		XX	XXX
Management training + advice		X	XX		X			X	XXX
Technical training + advice			XX	XX	XXX			X	X
Savings and credit			X			XXX		X	X
Information services	X		X	X	X		X	X	
Export promotion	X		X						
Institutional development									
Training of trainers		X						X	
Training of materials						X			
Training of credit officers						X			
R & D			X	X	X	X			
Promotion associations		X	X		X	X			

Daily Activity Charts

Objectives
- To help understand how local people spend their day doing different activities — i.e., how time is divided for different household chores.
- To have a comparison of the daily activities of different groups of people like men, women, children, and elderly people at different times of the year

Material Flip charts, markers, pencils, and chalk

Time 45 minutes to one hour

Process

1. Assign roles of interviewer, recorder, and observer among the team members.
2. Introduce the session to the participants stating that the daily activities of the local people will be traced to find out for what purposes they are busy in a day.
3. As with other diagrammatic tools, participants should select whatever materials they feel comfortable using — not necessarily pen and paper.
4. Begin the exercise by asking the key informants when they start their day in the morning. Ensure that all detailed activities are captured in the discussions. Specific questions may be posed to women and men differently.
5. Ensure that each activity is dealt with one at a time. After having completed one topic, go on to the next systematically.
6. Having completed the daily activity chart, discuss the opportunities and constraints the people face in their daily schedule work.

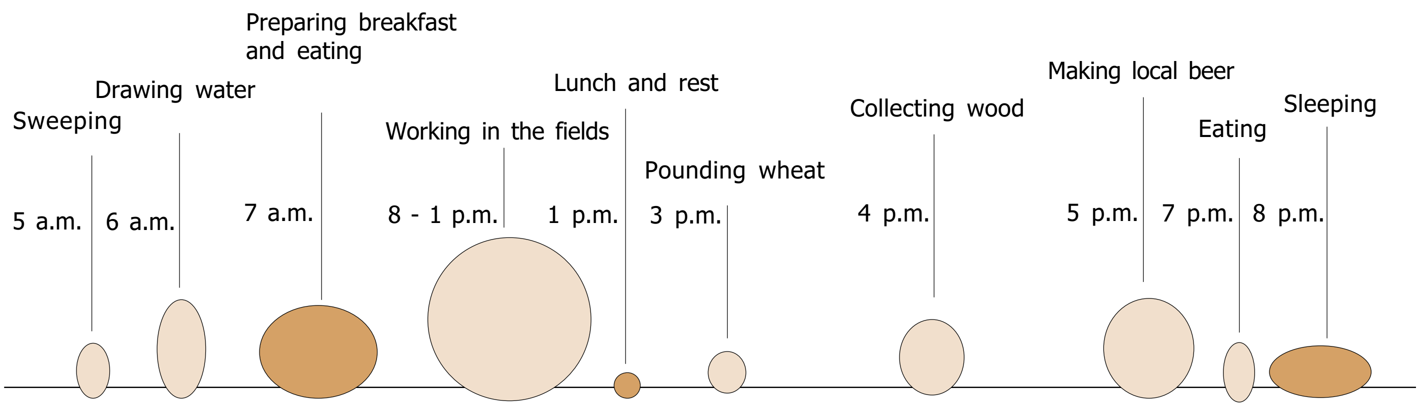
Questions to Ask

- What time do they start their day?
- What are the special highlights of the day?
- Has the pattern of daily activities changed over time?

Comments and Application

- The charts are best done by a small focus group of people in the same general situation.
- To generate discussion about the various activities the local people do, a balanced representation of key informants and gender would be helpful.
- If comparing the charts of different focus groups, have representatives of each group present so that they can explain their diagram and discuss the reasons for the differences.
- Where possible, cross-check the information through direct observation and interviews.

Daily Activity Chart of a Village



Daily Activity Profile and Diagram

Objective To find out a person's mobility during a typical day — this allows easy comparison between different people and illustrates their movement in and around the community.

Material Papers, pens, markers, and flip charts

Time 45 minutes

Process

1. Split the group into two or more sub-groups according to gender, profession, or age.
2. Ask each participant to construct a daily routine chart or daily activity for herself/himself.
3. Compare the individual charts in your sub-group and identify common patterns.
4. Prepare one representative daily routine chart for each sub-group.
5. Present the diagram/chart of each sub-group to the large group.
6. Discuss the results.

Comments and Application

- Such an exercise provides a useful insight into the nature of work done by people and their time spent for the same work.

Daily Routine Record Sheet

Name:
Male: Female:
Age:
Profession:
Season:

Note: continued on the next page

	AM							PM										
	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
Work in home																		
Income generation in home																		
Income generation outside																		
Time for self/relaxation																		

Daily Activity Profile

	Time										
	9										
	8										
	7										
	6										
	5										
	4										
	3										
	2										
	1										
PM	12										
	11										
	10										
	9										
	8										
	7										
	6										
AM	5										
		Kitchen	House	Yard	Field	Forest	Market				

District Mapping

Objective To prepare a district overview based on the following goals:
- to determine the existing social and economic status of men and women in the district (social survey), and
- to assess the marketing environment for micro-enterprises in the district (market survey)

Material Paper, pens, and reports

Time Depends upon the given situation

Process

1. Carry out a social survey and prepare a report on it. The social survey provides information on the social and economic status, local needs, and existing skills of potential micro-entrepreneurs. Although a comprehensive list of reports has been suggested here (refer to comments and application), the social survey should not be large and time-consuming, as it should be based mainly on existing data from secondary sources. The consultant and action research team will; therefore, have to judge accordingly when planning their strategy to determine if additional information is needed from primary sources. The social survey report should have findings and recommendations on the following topics:
   - existing social and economic status for men and women in the district Village Development Committee (VDC);
   - suitable sites for programme locations according to project criteria;
   - identification of potential target groups in the district VDC (skilled producers, interested entrepreneurs, groups which have received social mobilisation training, marginalised and disadvantaged groups of women and men, etc.);
   - composition of VDC population, ethnic groups, land ownership, wealth, etc.;
   - trends in employment, education, health, and spending in each VDC;
   - governmental and non-governmental agencies operating in the district and their existing programmes in the VDC; and
   - previous training given in the district and list of participants in social mobilisation and savings and credit.

   Reports on population, natural resources and their uses, economy, and institutional environment in the district should help to prepare the social survey report. They are described as follows.

   Population
   - total population in the district (individuals and households) and breakdown by VDC;
   - population distribution by ethnicity;

- distribution of households (or individuals) by occupation (and by VDC); and
- educational status of the district population such as levels of literacy and numbers of girl and boy children enrolled in school.

Natural resources and their uses

- land-use patterns (agriculture, forest, settlement, and others);
- number of micro and other electricity-generating plants, power capacity, and locations with power (by VDC);
- availability of motorable roads, transport network (for example, bus routes), and communications in each VDC;
- water resources and irrigation network (% of total land in each VDC which is under irrigation and which kind);
- mineral resources; and
- status of ecological balance.

Economy

- numbers (expressed as percentage of the total population) with ownership of different size of land holdings;
- numbers (expressed as percentage of the total population) of landless households;
- household distribution by income level by VDC;
- total income (in Nepalese currency and percentage) for the district and per VDC for each major sector (agriculture; fishery; livestock; live animals sale; trade; wage labour; cottage industry; small, medium, and large industry; tourism; remittances; and others);
- consumption and saving: food situation, household income, and expenditure (for example, food, clothing, medicines, education, religious ceremonies, etc.), household credit, credit system, uses of credit, levels of annual indebtedness; and
- food sufficiency of the population and numbers (expressed as percentage of the total population) with insufficient food.

Institutional environment in the district

- registered NGOs and their programme categories (health, water, agriculture, irrigation, micro-finance, etc.);
- international non-goverment organisation (INGO) programmes with development programmes in the district and type of activity;
- His Majesty's Government (HMG) district offices and agricultural and livestock support offices;
- agricultural and livestock research institutions and farms;
- District Development Committee (DDC) and VDC activities;
- Chamber of Commerce activities (sister city agreements and exhibitions);
- legislative environment supporting marketing in the various economic sectors; and
- existing formal and informal credit institutions.

2. Conduct a market survey and prepare an audit on it. This contains all the elements of marketing and development for micro-enterprises, which will be used to determine opportunities and constraints. It provides additional information for selecting programme locations. Also, micro-enterprise sub-sectors, which indicate market opportunities, will be prioritised to recommend to entrepreneurs.

   Reports on the following four broad areas (four main areas of enterprise development) which influence marketing and development of micro-enterprises should help to prepare the audit. They are described as follows.

   Market/Economy
   - relative importance of the different economic sectors;
   - status of the infrastructure for facilitating marketing activities;
   - existing formal sources of credit;
   - trade associations;
   - potential partnerships with the private sector; and
   - previous training given in the district and list of participants in cottage industry production and enterprise development.

   Environment/Resource Management
   - analysis of the present situation of raw materials which offer potentials for use in micro-enterprises; and
   - past and existing programmes in agriculture, forestry, or natural resource management.

   Social/Institutional
   - legislative and regulatory environment for enterprises in the district.

   Technology
   - research institutions in appropriate technology;
   - existing appropriate technology in use with micro-enterprises; and
   - previous training given in technology improvements.

Comments and Application

The following reports should help with developing the social survey report.

- Production, consumption, sale price, surpluses, and imports and exports into the district and VDC for agricultural products (current, five years ago, and 10 years ago)
- Production, consumption, sale price, surpluses, and imports and exports into the district and VDC for horticultural products such as fruit, vegetables, seeds, bee-keeping, etc. (current, five years ago, and 10 years ago)
- Production, consumption, sale price, surpluses, and imports and exports into the district and VDC for livestock products (current, five years ago, and 10 years ago)
- Production, consumption, sale price, surpluses, and imports and exports into the district and VDC for forestry products (current, five years ago, and 10 years ago)
- Export (and destination) of products from the district and VDC
- Import (and origin) of products from the district and VDC
- List (name and VDC) of registered small, medium, and large agro-based industries
- List (name and VDC) of registered small, medium, and large livestock-based industries
- List (name and VDC) of registered small, medium, and large forest product-based industries
- Availability of industrial raw materials (by type and quantity)
- Local technology and development potentials
- Trade structure in the district, national, and foreign markets (agro based commodities in food grains, cash crops, livestock, forestry products, and industrial products)
- Status of the tourism sector
- Total annual sales' volume of CSI in the district (by VDC)
- Annual sales' volume of CSI in each sector (by VDC)
- Number of CSIs that have current registration (by VDC)
- Locations of the past and current registered CSIs and enterprises (VDC, ward)
- Total numbers of people employed in each category of CSI
- Types of organisational structure for registered CSIs, i.e., sole proprietors, partnerships, and cooperatives
- Numbers of members in each registered cooperative
- Amount of training given in each category of CSI
- Current and past trends in the composition of bank portfolios for loans to each major sector of CSI
- Uses for which loans are destined for each major sector
- Length of loans and rates of repayment in each major sector of CSI
- Existing constraints in each sector

Decision-Making Matrix

Objective To indicate the role of men and women in decision-making processes

Material Paper, pens, markers, and flip charts

Time 45 minutes to 1 hour

Process

1. Introduce and decide on the products/issues to discuss and include in the matrix.
2. Divide the participants into small groups of three to five people (depending upon the number of participants) based on gender, job, and marital status.
3. Ask the groups to agree upon and list down their opinion/data on resources and their benefits (household, community levels, etc.).
4. Draw up two decision-making matrices (separate for men and women).
5. Ask each sub-group to compare the individual charts and identify common patterns.
6. Prepare one representative decision-making matrix for each sub-group.
7. Present the chart of each sub-group to the large group.
8. Discuss the results.

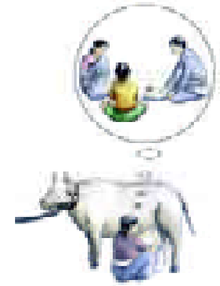
Comments and Application

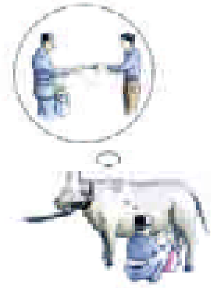
- It is important to consider the type of group, as the role and position of women are changing or progressing.
- Too much variation in the group may not identify common patterns in the matrix.
- The group division should be done as per age, ethnicity, marital status, caste, and other socioeconomic variables that effect the decision-making process.

Sample of Decision-Making Matrix for Women

Resources & benefits	Decision made by	
	Woman	Man
Khet - type of crops - cultivation methods - use of products (food/sale/barter) - cash from products *Bari* - type of crops - cultivation methods - use of products (food/sale/barter) - cash from products Homestead gardening - type of crops - cultivation methods - use of products (food/sale/barter) - cash from products		
Cattle - cattle husbandry (food, health) - use of milk - buying/selling cattle - cash from cattle (products) Goat - goat husbandry - buying/selling goat - cash from goat Pig - pig husbandry - buying/selling pig - cash from pig		

Use of Resources and Benefits: Cattle





Non-timber forest products (NTFPs) - how and when to use forest — use of honey (products) - cash from honey (products) - use of bamboo (products) - cash from bamboo (products) Income generation/employment - when and who will go to market - earned cash - labour: when & who (outside) - migration: when & who		
General issues - sending children to school - clothes for children - taking loans with money lender — giving loans - how to spend *pewa* - buying household provisions - participation in development activities - participation in ceremonies		

Direct Matrix Ranking

Objective Identify lists of criteria for a certain object/product — this allows us to understand the reasons for local preferences, for example, tree species or crop varieties.

Material Sample products, papers, pens, and flip charts

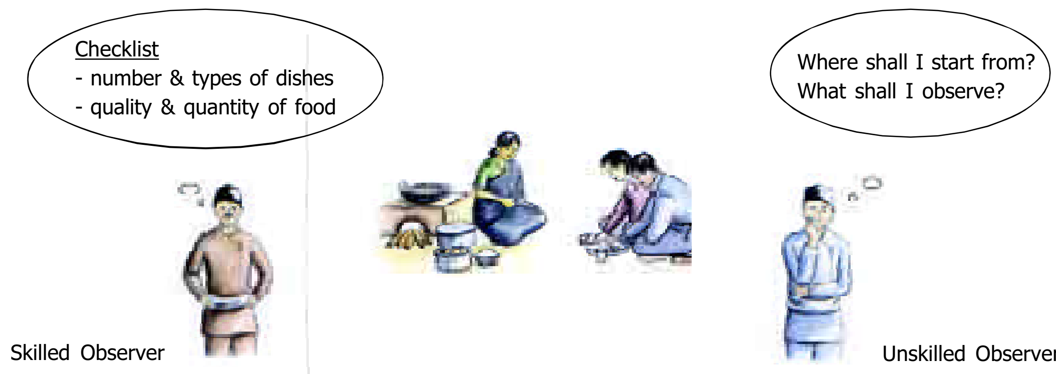
Time One hour

Process

1. Ask people to choose objects that are important to them (for example, cooking oil).
2. List the most important items (three to eight items). Ask the participants to list the different items. If too many items are chosen then the exercise becomes too lengthy so ask them to choose a maximum of six to seven items.
3. Draw out criteria by asking the following.
   - What is good/bad about each item? What else?
   - Continue asking until there is no reply.
4. List the criteria.
5. Turn the negative into positive by using the opposite (for example, bad cooking oil, cheaper cooking oil).
6. Draw up a matrix.
7. Ask for each criterion which object: which is the best, then the next best? Which is the worst, then the next worst? Of the two remaining ask: which is better?
8. Ask: which criteria or factor is most important?
9. Force a choice: 'if you could only have one of these, which one would you choose?'

Comments and Application

- The real value of the exercise does not lie in the absolute ranking, but rather in the opportunity that arises for a discussion of choices. Such an exercise provides a useful insight into the nature of local preferences.
- Adapt the exercise to local conditions and choose exercises that are relevant to the participants, for example, instead of food processing, household animals.
- To make this exercise more flexible, a scoring technique can be used.
- At the end of the exercise, it is useful to focus the debriefing on the following comments and questions.
  * Note that the criteria and preference lists varied greatly between participants, why was this so?
  * How could we use this exercise to make it relevant for your programme or project?



Direct Observation

Objective To introduce the practice of using direct observation

Material Record sheets, pens, and chart paper

Time One hour (over two days)

Process

1. Introduce the direct observation technique.
2. Identify indicators that can be assessed through direct observation.
3. Make a checklist from these indicators.
4. Give a homework task (tables 1 and 2).
5. Split the participants into two groups who observe activity/persons/discussions.
6. Develop a checklist before performing direct observation.
7. Compare and discuss the findings of both groups.

Comments and Application

- Direct observation deserves much attention and should be part of any PLA.
- The unskilled observer and people not familiar with the area may seriously misinterpret what they see.
- Prepare and use an observation checklist to ensure that observation is done systematically.
- Use all your senses while observing: smell, hearing, touch, and taste, participate/share in the activities in the community.

Table 1: Homework Task

You are part of a PLA team doing a study of eating habits in your community. You must use the direct observation method to assess the eating habits of one household — the household where you will eat dinner tonight. Observe the following: - number and types of dishes; - number, age, and gender of people sharing the meal; - quality and quantity of food; and - way of eating (hands, utensils, sharing of dish, etc.) Add as many additional observations as you feel that will improve the quality of the participatory appraisal. Present the findings tomorrow during the warm-up.

Table 2: Direct Observation Tabulation Sheet

Name of observer	Number & types of dishes	Number, age, and gender of people sharing the meal	Quality & quantity of food	Way of eating

Factogramme

Objective To identify and classify external factors which are of influence to the field of analysis (for example, enterprise development) — it helps to answer the following questions.

- Which relevant factors (positive and negative) are influencing it?
- What is the importance of those factors?
- What is the degree of power over each factor (ability to influence)?
- What can be done to address the factors?
- What partners can be used to influence the factors?

Material Papers, meta-cards, pens, markers, and flip charts

Time Half-day

Process

1. Define your field of analysis.
2. List all (external) factors influencing your field of analysis:
   - political/legal, physical, infrastructural, technological, psychological, sociocultural, economical, etc.
3. Identify if the factor has a positive or negative impact on your field of analysis:
   - positive: green card; or
   - negative: red card.
4. Identify if the factor is likely to happen:
   - if not, leave the factor out.
5. Identify if you can influence the factors directly or not. Classify the factors as related to:
   - policies/rules/regulations;
   - supply/inputs of the project/organisation;
   - demand/outputs of the organisation; and
   - competition/cooperation.
6. Mark the factors that have the highest impact on your field of analysis with (*)
   - maximum five positive factors (opportunities) and five negative factors (threats).
7. Analyse the factogramme.
   - What are the major positive factors (opportunities)?
   - What are the major negative factors (threats)?
   - Which ones can you influence directly and which not?
   - How could you address those factors that you can not influence directly (through which other actors)?

Focus Group Discussion

Objectives
- To discuss specific topics in detail
- To cover a maximum range of relevant topics
- To provide specific information so as to direct the discussion toward concrete and detailed accounts of the participants' experiences
- To foster interaction that explores the participants' feelings and opinions in some depth
- To take into account the personal context that participants use in generating responses

Material Paper, markers, prepared questions, cassette recorder, or video camera

Time Depends upon the given situation

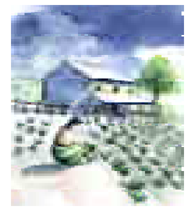
Process

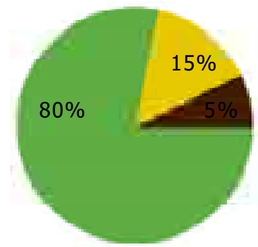
1. Plan and write questions before the discussion.
2. For an unstructured discussion, two broadly-stated topic questions will usually do.
3. For a structured discussion, use four or five topic questions with more specific points under each major topic.
4. In some focus groups, each participant makes an individual, uninterrupted statement about herself or himself at the start of the session.
5. Invite a small group of people (six to 12) to participate in the focus group discussion who are knowledgeable and are interested in the topic.
6. Make all participants interested to participate and talk.
7. Be careful that the discussion does not diverge too far from the original topic and no participants dominate the discussion.
8. End session with final summary statements from participants.

Comments and Application

- Division still exists within single gender focus groups (by class, religion, age, race, and ethnicity).
- Avoid closed questions.
- Begin the structured discussion with a general question not intending to get a full answer.
- Hold off comments that do not quite fit in a particular stage of discussion, but can be reintroduced as a logical point later.
- Focus group can be single or mixed gender.

Data for Livelihood Analysis





Livelihood Analysis

Objective To introduce the practice of using livelihood analysis diagrams

Material Squared papers and information sheet with data for diagrams or secondary sources containing appropriate data

Time Two hours

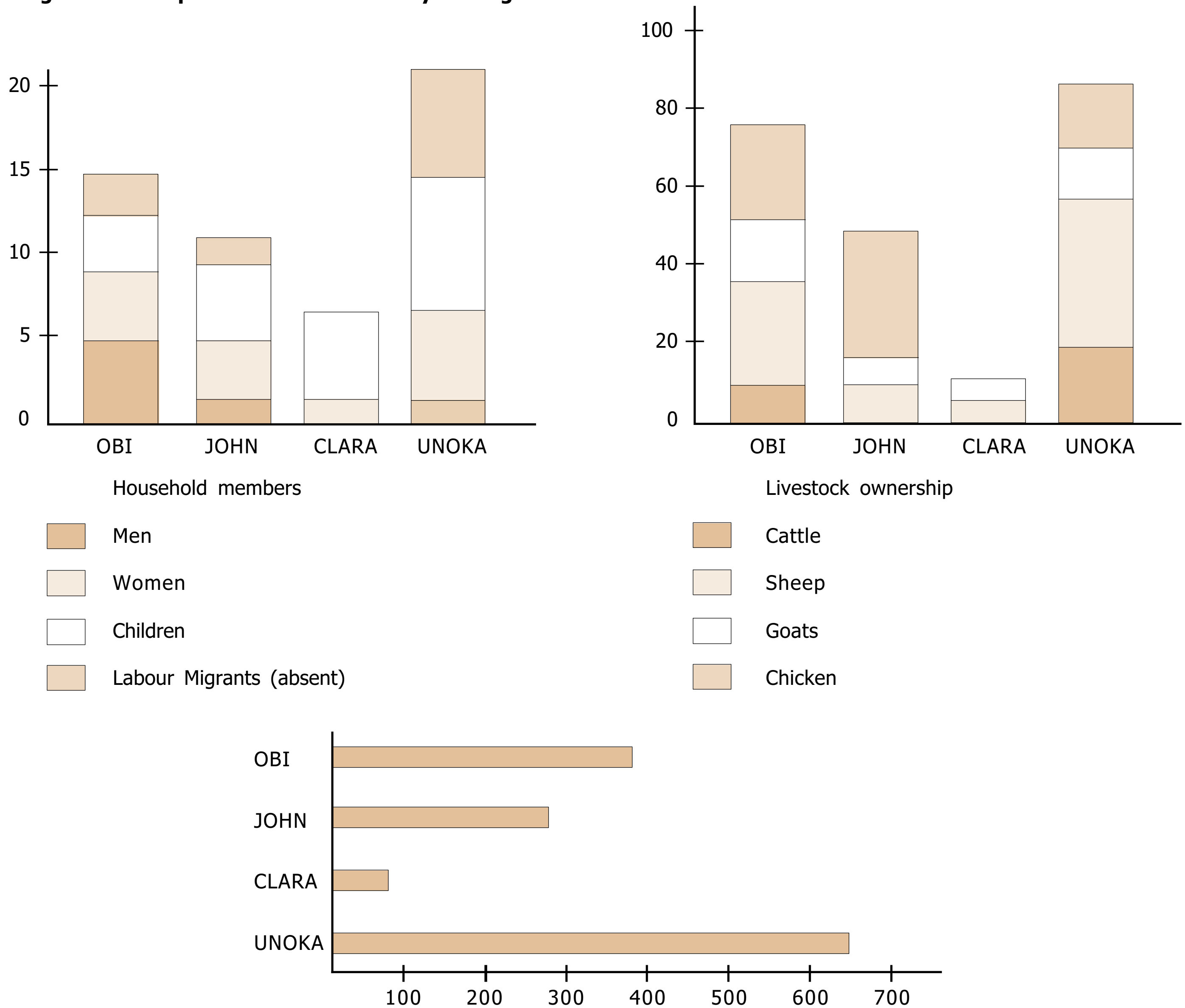
Process

1. Introduce the livelihood analysis diagram (figure 1).
2. Distribute handouts of the diagram and data table for livelihood analysis (table 1).
3. Ask participants to draw the livelihood analysis diagram based on the information provided on the data table.
4. Make a draft on a small sheet.
5. Use flip chart paper and markers.
6. The sub-group will present the diagram to the large group.
7. Discuss the result of the diagram and methods of drawing livelihood analysis diagrams.

Comments and Application

- Choose examples that relate directly to the work of the participants.
- Households included in the livelihood analysis could be selected through wealth ranking.
- Make sure that the handouts are prepared carefully and are not confusing.

Figure 1: Example of a Livelihood Analysis Diagram



MONTHLY CASH EXPENSES (DINARS)

Table 1: Example of a Data Table for Livelihood Analysis

	Households			
	Obi	John	Clara	Unoka
Household members				
Men (number in household)	3	1	0	1
Women	4	2	1	4
Children	5	6	4	10
Labour migrants	2	1	0	3
Animals owned				
Cattle	5	0	0	16
Sheep	24	8	1	56
Goats	15	7	3	16
Chicken	18	23	4	17
Sources of income				
Agriculture	25%	23%	66%	25%
Livestock	17%	8%	17%	21%
Trade & crafts	41%	54%	17%	21%
Remittances	17%	15%	0%	21%
Consumption				
Monthly cash expenses (Dinars)	380	265	85	650

Mobility Map

Objective To help understand the spatial relationship between locations, resources and their use, and time taken — for example, to identify where local people travel, purpose of their mobility, distance travelled, and time taken.

Material Pens, flip charts, and local materials

Time One hour

Process

1. Introduce the session to the participants stating that the mobility of the local people will be traced to find out for what purposes they go out of the village, how far they go, and how long it takes them to do different activities.
2. On the chart paper or on the ground, a circle representing the village community can be drawn to give the location of the focal point.
3. From the village community, the movement of people to different directions for different activities can be traced with help from key informants.
4. On the mobility chart, the relative distance of different places mentioned for the specific activity is marked.
5. While collecting information, deal with only one topic at a time; then go to the next set of activities only after completion of the first topic.
6. Having completed the mobility chart, discuss the opportunities and constraints the people face around their area.

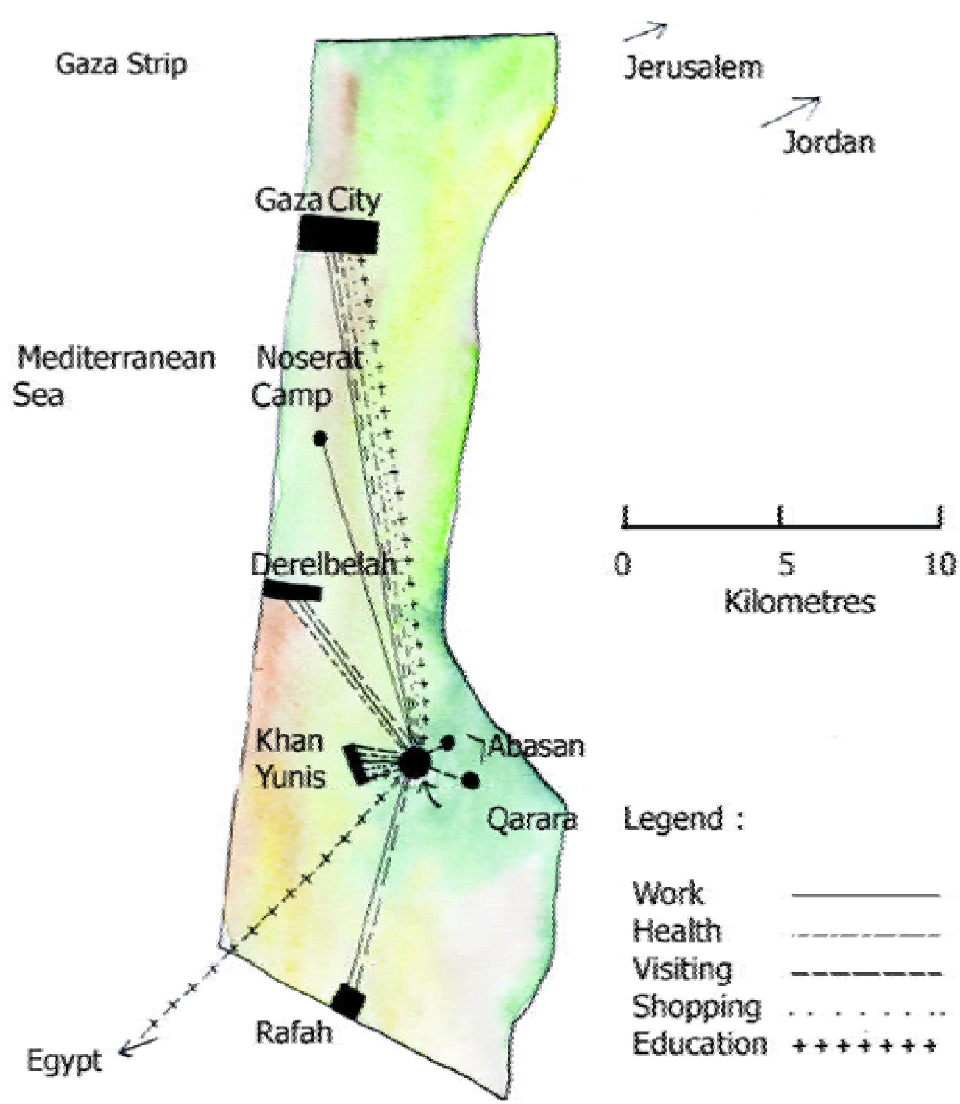
Questions to Ask

- Where have they been going and why?
- How long have they been going there, how often do they go? Who goes (men or women) for what activities?
- What are the special features of the sites they go to?
- How have the patterns of movement changed and why?

Comments and Application

- To generate discussion about the various activities the village people do, a balanced participation of men and women is helpful.
- Sometimes it is better to conduct the exercise with focused groups of men and women separately, as perceptions may vary.
- By tracing the movements of local people, the participants reflect upon their economic status as some may travel to distant places for education and medical treatment depending upon their affordability. The mobility of different class groups would vary according to their socioeconomic condition and other factors prevalent in the community.
- The intensity of their movement to areas around their village gives an idea of the pressures and threats to natural resource extraction. The time taken for different activities should be recorded, as it tells how much time they give for which particular activity and why it is important to them.
- The information can be useful in planning, since it helps field workers to meet people in time to implement development activities.

Mobility Map of Women from Qarara Area, Gaza



Pairwise and Matrix Ranking

Objectives - To describe the basic procedure of pairwise or preference ranking
- To highlight how criteria for choices are made by participants
- To highlight the importance of exploring the existence of key differences
- In preferences between participants

Material Papers, pens, and flip charts

Time One hour

Process

1. Assign roles of interviewer, recorder, and observer among team members.
2. Ask the participants to list the different items that are to be discussed and ranked; for example, trees, fodder, fruit, or enterprise benefiting most from tourism.
3. Ask them to choose a maximum of six to seven items for ranking depending upon the investigation. If too many items are chosen, then the exercise becomes too lengthy.
4. Ask the participants to draw up a recording matrix, where the different items to be ranked are written on both the axes.
5. Begin the exercise by asking the participants pair by pair to nominate their preference. The participants should be asked why s/he has made the choice. The probing of the choice continues until no further questions arise. The question that forces the participants to make the choices is important. Once the choice is made, it can be recorded in the matrix.
6. Repeat until all possible combinations have been considered, i.e., all boxes of the matrix have been filled. The recorder should record all the reasons that the participants gave about why the choices were made.
7. Adding up the number of times each item is mentioned in the matrix, the participant can develop an idea of the most preferred. The frequency of occurrence of each item indicates the rank, i.e., highest frequency for most preferred.

Comments and Application

- The real value of the exercise does not lie in the absolute ranking, but rather in the opportunity that arises for a discussion of choices. Such an exercise provides a useful insight into the nature of local preferences.
- The pairwise ranking tool can be used to look at issues like education of girls and boys, enterprises benefiting from tourism, sharing of tourism benefits, causes for lack of women’s participation, reasons for food scarcity, etc.

- At the end of the exercise, it is useful to focus the debriefing on the following comments and questions.
  * Note that the criteria and preference lists varied greatly between participants. Why was this so?
  * How could we use this exercise to make it relevant for your programme or project?
  * The tool has been found to be particularly useful in monitoring and evaluation, especially of activities in plans.
  * Why were some activities considered successful? This offers great insight into the value and design of project activities.

Example: Pairwise and Matrix Ranking of Problems for Girls Not Attending School in a Village

Problems	Lack of facilities	Pregnancy	School fees	Losing traditional values	Distance from home	Early marriage
Lack of facilities	X	*Pregnancy*	*Lack of facilities*	*Lack of facilities*	*Lack of facilities*	*Early marriage*
Pregnancy	X	X	*Pregnancy*	*Pregnancy*	*Pregnancy*	*Pregnancy*
School fees	X	X	X	X	*School fees*	*School fees*
Losing traditional values	X	X	X	X	*Distance from home*	*Early marriage*
Distance from home	X	X	X	X	X	*Early marriage*
Early marriage	X	X	X	X	X	*Early marriage*

Problems	No. of Times	Rank
Pregnancy	5	1
Early marriage	4	2
Lack of facilities	3	3
School fees	2	4
Distance from home	1	5
Losing traditional values	0	6

Participatory Mapping

Objective To help understand the relationship between topics or objectives, such as natural resources or social class, their use, etc.; for example, to identify where resources are growing, who is using/harvesting them, where are they traded/ sold, what is the distance between the resources and selling point, etc.

Material Objects, pens, flip charts, and local materials

Time One hour

Process

1. Introduce the session to the participants stating the objectives. Find out for what purposes they go to the resources, how far they go, and how long does it take them to do different activities.
2. On the chart paper or on the ground, a circle representing the source of the natural resource can be drawn to give the location of the focal point.
3. From the community, the activities (harvesting, transporting, and selling) can be traced with help from key informants.
4. On the mobility chart, the relative distance of different places mentioned for the specific activity is marked.
5. While collecting information, deal with only one topic at a time; then go to the next set of activities only after completion of the first topic.
6. Having completed the mobility chart, discuss the opportunities and constraints the people face around their area.

Questions to Ask

- Where did you go and what products did you gather?
- Where have they been going and why?
- How long have they been going there, how often do they go, who goes (men or women) for what activities?
- What are the special features of the sites they go to?
- What is the best season to go there?

Comments and Application

Refer to mobility map (comments and application)

Drawing Maps

Maps can be drawn for many topics: demography, social and residential stratification (wealth, religion, ethnicity), natural resources, fields and land use, water, soils and mobility, etc.

- Before visiting the field, obtain maps and/or photographs of the area.
- Prepare simple outline maps showing key features and landmarks.
- Mark in roads, rivers, canals, religious sites, governmental offices, and vantage points (water tank, hill).
- Obtain local place names.
- Revise the maps and add more detail throughout the fieldwork based on new information.

Partner Selection

Objective The partner selection tool assists in selecting a partner based on a rapid institutional assessment in which several components are analysed.

Material Papers, meta-cards, pens, markers, and flip charts

Time Half-day

Process

1. Select potential partner organisations (selection can be based on the analysis of the institutional setting with support of the actogramme, factogramme, and coverage matrix).
2. Define criteria for selection of partners.
3. Analyse strengths and weaknesses for each of the criteria.
4. Draw conclusions.

Comments and Application

- The selection of criteria will strongly depend on the character of the partnership.
- To make sure that everybody has the same understanding of the criteria, these need to be clearly defined.
- It is possible to score different criteria on a scale of one to four, after which different organisations can be compared by adding up the scores.
  * No applicability
  * Minimal applicability
  * Average applicability
  * Strong applicability

Example of a Partner Selection Matrix

Name of organisation	Strengths	Weaknesses
* External aspects		
Impact		
Mission		
External relations/actors		
* Internal aspects: management/organisation		
Primary process		
Human resources		
Culture		
Financial viability		
* Internal aspects: technical experience		
Gender		
Capacity-building		
Knowledge management		
Programme management		

Problem-Solving Tree

Objectives - To identify issues of concern and their causes
- To prioritise these concerns and identify solutions
- To ensure that the problems of less powerful groups are discussed and acted upon

Material Paper of different colours, markers, large sheets of paper, tape, and cassette recorder

Time One day or shorter time periods spread over several days

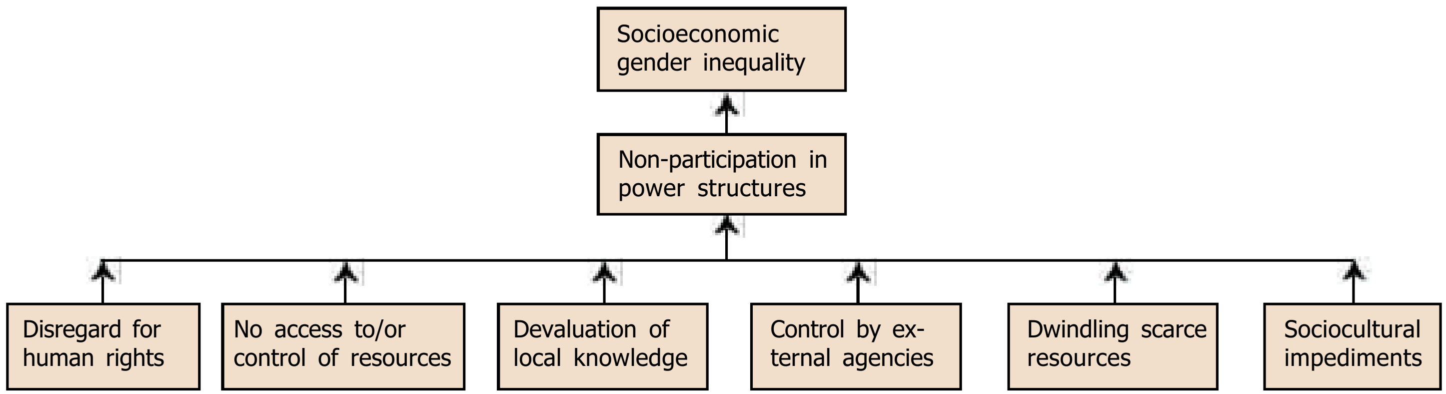
Process

1. Identify the topics of concern by way of focus group discussion, household or focus group decision.
2. Divide participants by relevant category (for example, gender, poor-better-off).
3. Discuss the topics of concern and ask the group to list the problems common to all. To find out the root causes, ask probing questions: why is this the case? Was it always like this? Etc.
4. Ask participants to draw a problem-solving tree: the trunk represents the problems, the roots are the causes, and the branches are the consequences (see the figure on page 170).
5. Write the problems (using colours or symbols) on coloured pieces of paper and attach them to the tree according to root, problem, and consequences.
6. Repeat the tree exercise until the group has a list of five to 10 primary issues of concern.
7. Ask the group to choose one or two people of the group to make the presentation on the results to the larger group.
8. Return to the small groups to discuss the following:
   - identification of selection criteria;
   - prioritisation of problems; and
   - identification of the root causes of the three most pressing problems in small groups.
9. Use the analysis to formulate an objective tree suggesting ways of redressing the conditions.

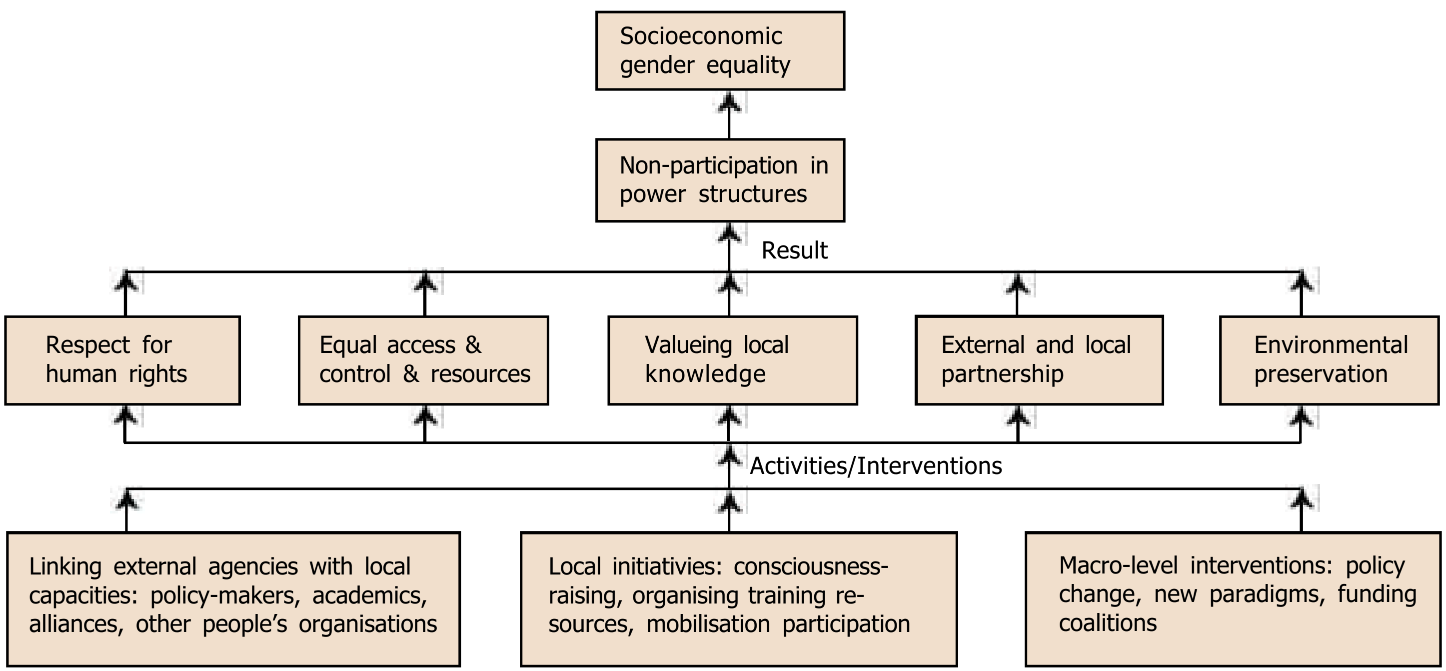
Comments and Application

- There may not be a concern common to the entire community.
- The priorities and solutions may differ according to category (for example, gender, class, ethnicity, age, and race) and context (ecological, political, economic, and historical).

Sample of a Problem-Solving Tree on Inequitable and Unsustainable Development



Sample of an Objective Tree on Equitable and Sustainable Development



Resource Mapping

Objective Resource mapping assists the community in the following tasks:

- to understand how women and men see their resources and how these differ from outsiders' views (perceptions, reports, formal surveys, etc.);
- to draw up a map of the perceived 'resource' situation of the community;
- to analyse the steps/process in utilising available natural resources; and
- to analyse the problems and (market) opportunities on natural resources.

Material Large sheets of wallpaper and coloured markers

Time Two to three hours

Process

1. Collect the data/information for drawing maps and sketches by way of key informants, household interviews, and focus group discussions.
2. List and label the major classes of vegetation, land use, and tenure that describe the conditions of local residents.
3. Identify the land-user groups. The groups may be men or women, or a combination of male/female and child/adult/elder.
4. List and label the users' group.
5. Sketch the distribution of the land-cover/land-use types in the local landscape on a separate sheet.
6. Note down who uses and who controls these land-cover/land-use types.

Comments and Application

- One can opt to include and identify gender differences in resource use and control used at different scales (household, community, regional, and national).
- The land-cover categories may vary from place to place depending upon the type of cover and the range of land uses.
- It is useful in research, development, environmental planning, land tenure reform, and land-use change, or community organisation contexts.

Analysis of Natural Resource

Opportunity	Problem
Accessibility to water source	Flooding

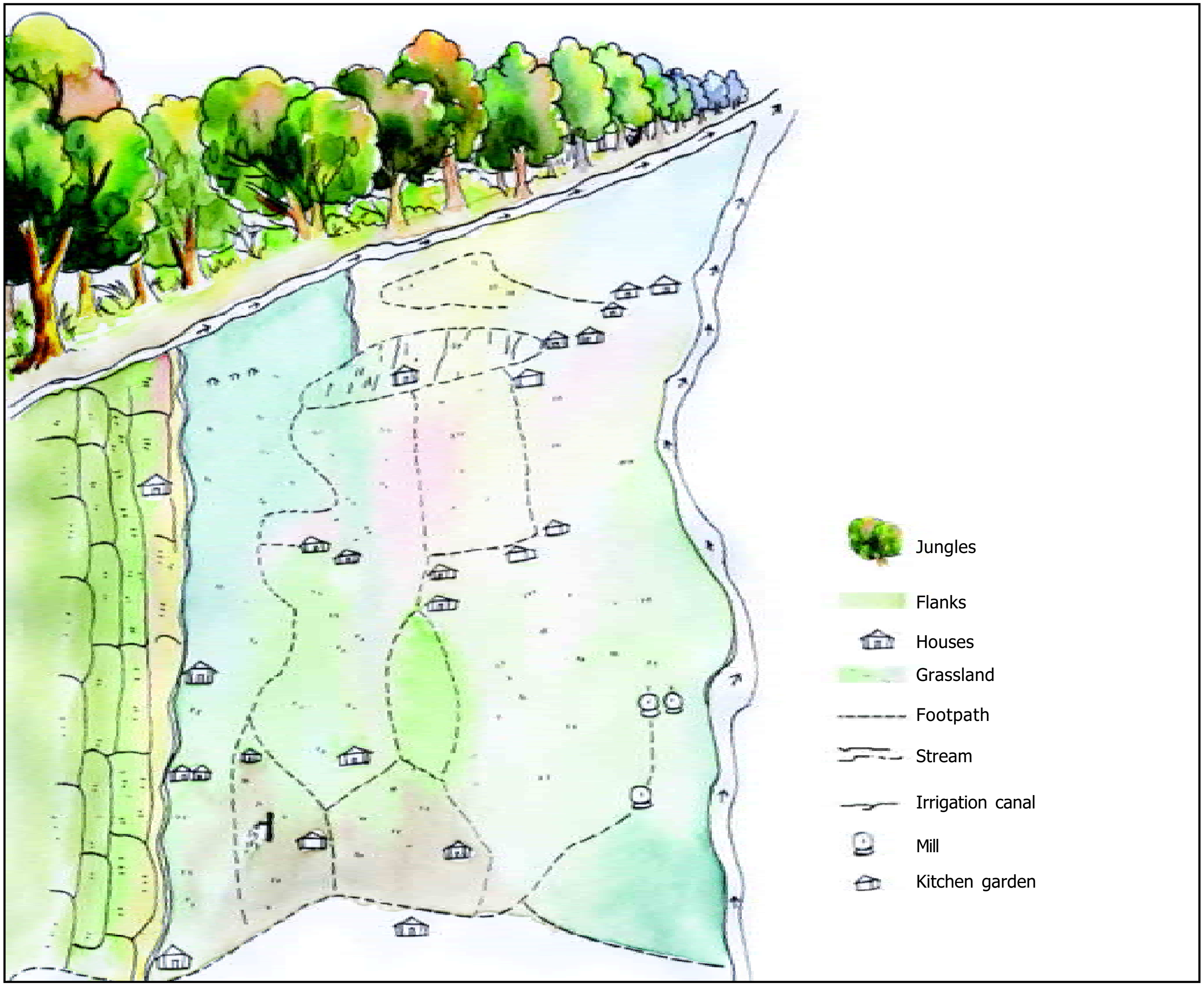
Subdivision of Land-User Group

Land-users by activity	- Producers (gatherers, hunters, herders, farmers, farm workers) - Processors - Market vendors - Consumers
Land-users by rights to access and ownership (applies to trees or land)	- Owner (state, group, individual) - Tenant (rent paid) - User by permission or exchange agreement - Squatters, 'poachers' (illegal users, occupants)
Land-users by management unit/unit of analysis	- Individuals or household sub-groups (women, men, children, age group members) - Households (managed by men, women; small, large; young, old; rich, poor) - Communities and community groups (families, self-help groups, clans) - Companies and cooperatives - Administrative units (states, districts, villages, neighbourhoods, etc.)

Example List of Land-Use and Land-Cover Categories to Include in a Landscape Sketch

Land-use categories	Land-coverage categories
Forest	Conservation reserves
Woodland	Gathering/collecting areas
Savannah (trees over grassland)	Grazing and browsing lands
Open grassland	Croplands
Perennial crops	Gardens
Annual crops	Homesteads
Fallows	Fences
Bare soil	Property boundaries
River banks	Public markets and meeting places
Canals	Water holes
Roads and paths	Gullies

Example of a Resource Map



Review of Secondary Sources

Objective To introduce the importance and usefulness of reviewing secondary sources before beginning to collect new information

Material Chart papers and board markers

Time 30 minutes

Process

1. Select a relevant topic for the group/community.
2. Ask the participants: 'what according to you are the secondary sources?'
3. List down the sources received.
4. Discuss ways of summarising these sources.
5. Prepare data of these sources in the form of the following items:
   - diagrams;
   - tables and lists;
   - brief summary paragraphs; and
   - copies of maps and photographs for easy access during the field visits.

Comments and Application

- Do not spend time on the review of secondary sources, if it could be better spent in the field.
- Look out for what has been missed.
- If the participants do not share a common background on the topic, secondary sources can be used to familiarise the team with the topic.
- The secondary sources are the following items: books, articles, maps, photos, films, videos, reports, statistics, etc.
- During the review of secondary sources, there is no need to practice the same.

Example: Review of Secondary Sources

1. Which secondary sources are available?
2. What information can we get from these sources?
3. How can we summarise these sources?

Seasonal Calendar

Objectives - To demonstrate ways to explore the changes during the year
- To generate information about seasonal trends within a community and identify periods of particular stress and vulnerability

Material Locally available materials (stones, bricks, seeds, chalks, pen, paper, etc.) — we can also use a large sheet of paper (flip chart paper) or make sketches on the ground depending upon where the exercise is being conducted.

Time One hour

Process

1. Using a group forming exercise, divide the participants into small groups of three to five people depending upon the number of participants.
2. Ask the groups to collect the materials required to make the seasonal calendar.
3. Choose one or two key informants who can be interviewed about the theme you are assigned to work on. Although it is not essential, these informants may be interviewed about some special knowledge they have of the local area or a particular subject. Then the informants are asked to make diagrams to illustrate trends and changes in those activities or features spread over different periods — a week, a year (whatever applicable).
4. Be sure to ask why months and seasons differ, what are the reasons for change.

Comments and Application

- Ask the participants to mark out the year using their local calendar — this may be different from the western calendars.
- Use whatever material is available locally to show the trends. Coloured chalk can be used to draw line graphs and different sized piles of seeds, stones, or beans can be used to show seasonal variations.
- Combine all seasonal patterns into one diagram to show correlation between variables and identify periods of particular stress. Trends need to be shown as rough qualitative ones, quantification is rarely necessary for the learning exercise.
- Cross-check and refine the seasonal calendar throughout the fieldwork.
- Upon completion of the seasonal calendar, ask each group to present its findings to others and encourage them to concentrate their presentations on the process they went through, not just on the final product.

- Trends in food scarcity, local employment, disease outbreak, etc. give us a better understanding for including appropriate interventions that may be beneficial for marginalised communities.
- Seasonal trends tell us which sections of the community are more vulnerable and when, for example, men, women, children, and elderly people during a particular period.

Relevant Variables for a Seasonal Calendar Exercise

Weather, festivals, crop sequence, availability of fruit and vegetables, outmigration of local people, busy months of the year, wildlife viewing, flowering times, natural hazards, scarcity of food, busy months for men and women, incidence of human diseases, availability of paid employment, expenditure levels, and begging activity.

Sample of a Seasonal Calendar on Poverty Issues

Variables	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Light meals	***	***	*	*	-	-	-	-	-	-	-	**
Begging	******	******	**	-	-	-	-	-	-	-	**	*****
Migration	******	******	**	*	*	**	-	-	-	-	-	-
Unemployment	******	******	**	-	-	-	*	***	***	***	-	*
Income	-	-	*	****	****	****	******	******	*****	****	****	**
Disease	-	-	*	****	****	***	**	***	**			
Rainfall	-	-	****	****	-	-	-	*	*	***	***	**

The asterisk mark (*) in the table represents stones used by the participants to indicate the degree of change by month. Thus, three (***) asterisks in the January column of 'light meals' indicates that the light meals are three times more likely that month than they are in March or April.

EXAMPLE OF A SEASONAL CALENDAR

Particulars | **Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec** | **Remarks**

Particulars

Planting cycle
- Potatoes
- Corn
- Oats
- Mustard
- Wheat
- Millet

Months with low fodder availability

Seasonal diseases affect domestic animals

Vomiting and diarrhoea

Colds and coughs

Fever

Intestinal parasites

Festivals

Lack of fuelwood

Seasonal changes
- Monsoon
- Summer
- Winter

Prices of food grains (State price per kg.)
- Corn
- Millet
- Potatoes
- Wheat
- Oats

Time to take loans

Remarks

Lack of local knowledge regarding remedies

Disease can occur at any season.

Hot water is used to ease suffering.

Herbs are prepared to reduce fever.

Medication is taken from the hospital.

Chettri, Sherpa, and Kami communities celebrate.

Some months have high precipitation, some have low.

Prices are high before harvesting and they fall after harvest.

People go to cities to earn so that they can pay off their loans.

Semi-Structured Interviewing (SSI)

Objectives - To introduce SSI
- To do role plays using SSI

Material SSI guidelines

Time Two hours

Process

1. Introduce SSI to the participants.
2. Distribute handouts on SSI guidelines (table 1).
3. Give participants 20 minutes to read the document.
4. Discuss for another 20 minutes to clarify questions.
5. Split the group into four or five sub-groups.
6. Ask each group to conduct an SSI on a different topic.
7. Assign roles to each member of the sub-group.
8. Divide sub-groups with two to three interviewers, one interviewee, and one observer/note-taker.
9. Give five minutes to interviewers to identify interview questions.
10. Observe, practice SSI and note the participants' behaviours for later discussion.
11. Discuss the results of the interviews in the large group after role play.
12. The observers report their observation and the whole group discusses the way in which the interviews were conducted, what mistakes were made, and how to overcome them in the future.

Points for Discussion

- What were the main results?
- Did the interviewers follow the guidelines?
- Which guidelines were ignored?

Comments and Application

- Remember to use SSI guidelines.
- Avoid discussing the contents of the results of the SSI exercise.
- Discuss the process and method.

Example of an SSI Guide

Topic: how do people in this area cope with contaminated water?

Key Issues and Questions
- What are the problems causing contamination?
- What are the overall coping strategies?
- What are the coping strategies for each problem?

Table 1: SSI Guidelines

- The interviewing team consists of two to four people of different disciplines.
- Begin with the traditional greeting and state that the interview team is here to learn.
- Begin the questioning by referring to someone or something visible.
- Conduct the interview informally and mix questions with discussion.
- Be open minded and objective.
- Let each team member finish their line of questioning (don't interrupt).
- Carefully lead up to sensitive questions.
- Assign one note-taker (but rotate).
- Be aware of non–verbal signals.
- Avoid leading questions and value judgments.
- Avoid questions which can be answered with 'yes' or 'no'.
- Individual interviews should be no longer than 45 minutes.
- Group interviews should be no longer than two hours.
- Each interviewer should have a list of topics and key questions written down in her/his notebook.

Social Mapping

Objective To provide a visual representation of the community (either the whole community or part of it) — it can be used to carry out the following tasks.

- Do an informal census of how many people or households are in the community.
- Establish dialogue between different community groups.
- Learn about the presence and location of community resources.
- Identify which resources are important to different community groups (for example, men might focus on roads, while women might focus on schools).
- Learn about general community problems.
- Form a list of households to sample for in-depth interviews.
- Learn about specific characteristics of community members.
- Provide a visual resource that can be used as a baseline for assessing change.

Material Chalk, local materials (sticks, stones, or leaves), pencil, and paper

Time Depends upon the given situation

Process

1. Introduction to mapping — give an introduction to mapping and show an example of mapping. Invite participants to brainstorm about the different types of information that can be presented through maps. Ask them to identify specific kinds of maps that could be useful during a PLA exercise for exploring issues in their sector (for example, health, education, etc.).

2. Practice mapping — the mapping practice exercise encourages participants to be creative and gives the field practice teams an opportunity to start working together. Take participants outside of the training centre to a location where they can draw on the ground. Have them divide into their field practice teams. Invite each team to draw a map on the ground of the training centre. Encourage them to use chalk, sticks, stones, leaves and other local materials.

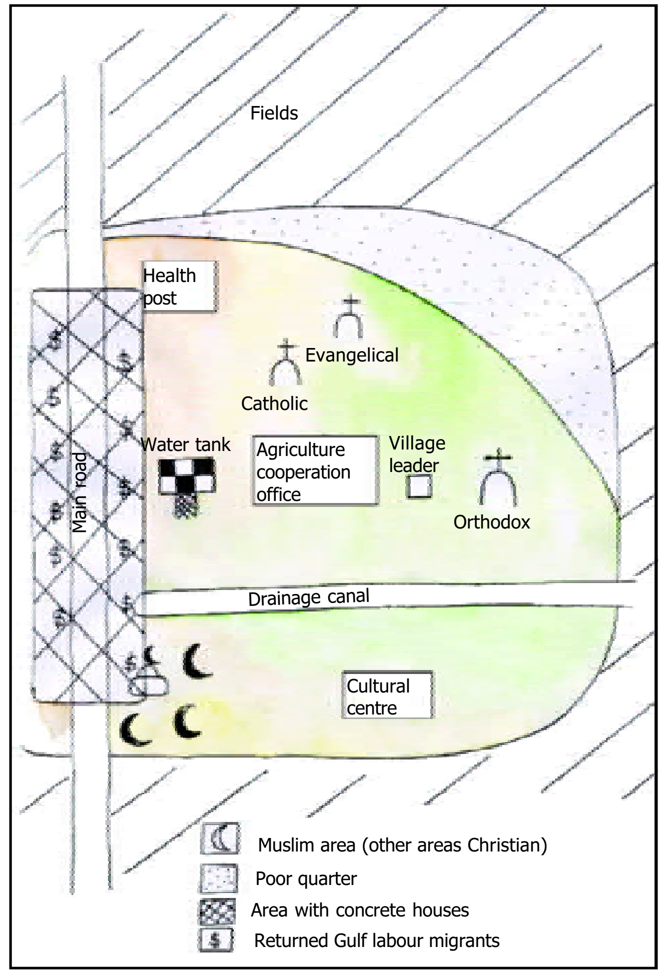
3. Ask each group to choose one person to record the group's map on paper. Discuss the differences among the maps and ask participants whether the mapping exercise was difficult, and if so, why. When discussing why the teams' maps may have differed, it is important to point out that this may have occurred because different groups have different priorities, perhaps

due to their professional biases or other differences in perspective. Emphasise how this can happen in the community, especially between women and men; and why it is, therefore, important to include all members of the community in the mapping exercise. Also ask participants how they might do mapping in a non-traditional community (for example, factory workers in an urban area).

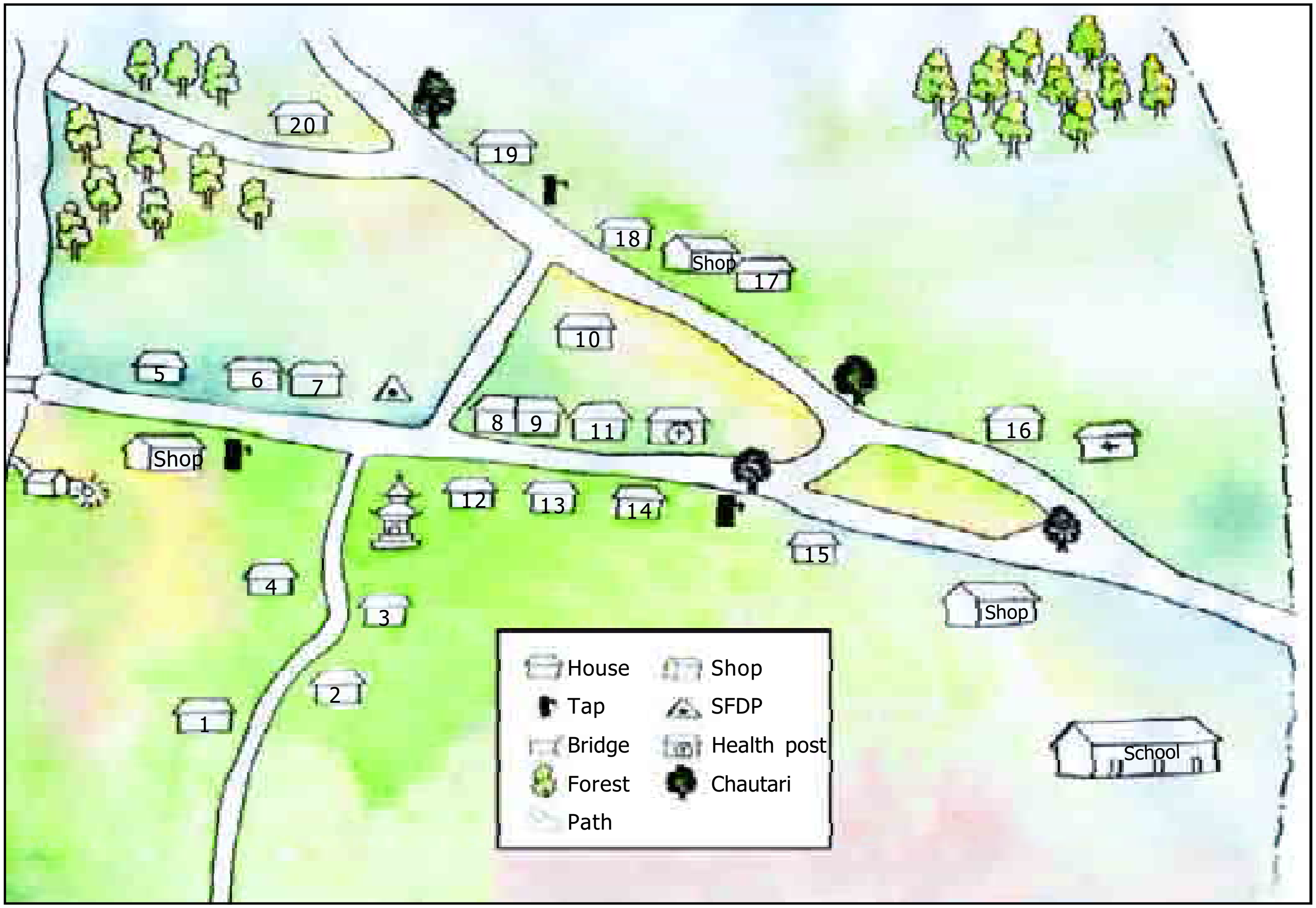
Comments and Application

- Because it is easy to get people to participate, mapping is usually one of the first activities conducted during a PLA workshop. Doing a map as the first workshop activity has two advantages:
  * because a lot of people participate, it helps to get the rest of the community interested in the PLA workshop; and
  * it generates a lot of information which can be used to plan the rest of the PLA workshop (for example, it can be used to identify households for in-depth interviews).
- Mapping has enormous potential to generate discussion among community members, since everyone can participate. This may be the first time that a village or neighbourhood has ever been represented visually, which can be a very exciting event.
- Mapping does have constraints; however, some community members may resist mapping because they don't want the boundaries of their property to be known for security reasons (for example, cattle rustling). In addition, it can be hard to manage mapping with large groups, and the maps can be difficult to interpret later if everything is not labelled clearly on the paper copy.
- Many different kinds of information can be generated using maps. Maps can either focus on one specific type of information, or they can be used to gather many different types of information at once. Some maps are used to gather general information, such as geographical features; number and types of houses; infrastructure (roads, telephone lines, water pipes); natural resources; types of facilities (for example, health facilities, schools, stores, factories); livestock; land use; and water sources.

Example of a Social Map: Village in Upper Egypt



Example of a Social Map



Story of Household Expenses' Game (example of a leaking water bottle)

Objective To become aware of managing accounts properly

Material
- 1 plastic water bottle with holes punched in the bottom
- 1 bottle with water (to pour the water)
- 1 bucket (to catch the spilled water)
- 2 people for the role play

Time 30 minutes

Process

1. Have two participants act out a short funny drama in which one of them asks the other for water and the other person holds up a plastic bottle with a perforated bottom. The friend tries to give her/him water, but every time s/he tries to drink from the bottle, it becomes empty because of the leak. Still the other friend keeps on trying to give more water.
2. After doing this a few times, the participants in the workshop are told that this story reflects something about their household economy, and they are asked to brainstorm on the meaning, either in a plenary session or in small groups. Note, as with the example below, it may be interesting to record whether the respondent is a male or female.

Example of Facilitation that Generates Comments

- When you do something, you should prepare for it.
- Whatever goes in goes out (male respondent).
- If we don't put into practice what we learn, it's wasted (male respondent).
- A family works so hard and whatever they do they can never fill the bottle, because their expenditure is higher than their income (female respondent).
- People work, but they don't plan properly.
- It's like putting things in a pocket with holes.
- It's like when you spend your money on things that aren't useful (male respondent).
- We spend whatever money we have and then its gone — like a granary, which is full and then we give it away to everybody (male respondent).
- The two people in the skit should have stopped pouring and tried to figure out how to stop the water from leaking out (male respondent).
- The holes are the problem, which you can't control. There are too many holes (female respondent).
- Need to look at how to supplement our income (male respondent).

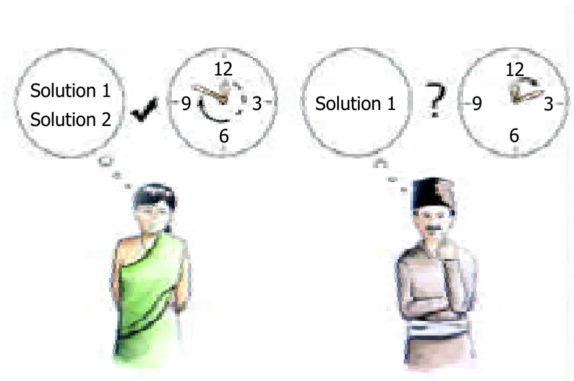
Strategy Development Game

Objective To realise that if you choose strategies quickly, there is a greater tendency to make mistakes

Material Meta-cards of two colours with constraints and the solution to each constraint

Time 30 minutes

Process



1. Prepare 15 cards (about 12" x 4") of two colours. One colour for constraints and the other colour for solutions. For example, red cards for constraints and yellow cards for solutions. Write one constraint on each red card and the solution to that constraint on a yellow card. Use examples as per below in the four areas of development (market/economy; environment/resource management; social/institutional; and technology).

   Constraint: many scattered producers
   Solution: collection centre and group enterprise

   Constraint: only one buyer — monopoly
   Solution: encourage more buyers

   Constraint: no bargaining power
   Solution: more price information

   Constraint: expensive transportation
   Solution: choose high value, low volume products

   Constraint: lack of inputs for production
   Solution: organise mechanisms to guarantee inputs

   Constraint: several grades of quality and price
   Solution: give training on grading

   Constraint: spoilage
   Solution: improved post-harvest techniques

   Constraint: illiteracy
   Solution: simple visual training materials

Constraint: seasonal price fluctuations
Solution: storage and capital

Constraint: women are overburdened
Solution: gender analysis in the selection of products

Constraint: poorest of the poor have no income
Solution: choose products which benefit the poorest

Constraint: lack of manufacturing skills
Solution: training on skill development

Constraint: over harvesting
Solution: training on harvesting

Constraint: shortage of resource in the forest
Solution: domestication

2. Ask participants to split up into two teams of equal numbers and ask each team to line up facing each other in two straight lines parallel to each other. The facilitator goes down the line of one team giving each person on one team a number. The same number is then given to a person from the other team facing the person from the first team. Therefore, numbers one from each team will be facing each other.
3. The facilitator then explains the game to the players. The two teams are asked to turn around so that they are facing towards the outside away from each other. The facilitator places the cards down on the ground in the space between the two lines. The players are then asked to turn around so that they are again facing each other and can look at the cards. The facilitator calls out a number which is no higher than the highest number of participants in one team. If the number called out is five, then both players from each team with the number five have to quickly pick up two matching cards of different colours. One should have a constraint and the other should have the solution to that constraint. Once they have picked up both cards, they need to run up to the end of the line and give the two cards to the facilitator. The first one to deliver the cards wins. If the wrong answer is given with the constraint, that team loses one point. The other team then gets a chance to bring their correct card and can win a point.
4. The game finishes when all the cards have been picked up. The team with the most points wins.
5. At the end of the game, ask the players what they learned. They should realize that if they rush to choose a strategy, they might choose the wrong one!

Comments and Application

- Make sure that each of the constraints has only one clear and well-defined solution.

Strategic Orientation Matrix

Objective Strategic orientation is a way to combine/match strengths, weaknesses, opportunities, and threats in order to arrive at a number of alternative strategies from which a choice can be made. Strategic orientation is most effective when carried out in a participatory exercise involving all the major stakeholders of the programme/organisation.

Material Papers, meta-cards, pens, markers, and flip charts

Time Half-day

Process

1. Define the entity or problem area.
2. Identify strengths and weaknesses, opportunities and threats.
   - From internal analysis: strengths and weaknesses;
   - from external analysis: opportunities and threats; and
   - based on joint discussion or brainstorm.
3. Develop strategic options.
   - For each opportunity and each threat, generate concrete strategic options (concrete objectives/aims) that would take advantage of this opportunity, or that would reduce the threat.
4. Select the four to five best options.
   - Method 1: develop one or more criteria to select the best options and apply the criteria to the options. Often criteria will follow from a basic question; and
   - method 2: select the five best options using consensus or using voting by participants.
5. Match the strategic options with strengths and weaknesses.
   - Use the strategic orientation matrix (see the table on page 188); and
   - identify for each of the options which strengths can be used and which weaknesses should be reduced to be able to realise this option.
6. Formulate tentative strategies.
   - Select now the two or three options that have the most strengths and relatively few weaknesses; and
   - formulate major tentative strategies for these options.
7. Follow-up.

Strategic Orientation Matrix Format

Strategic orientation matrix	Strategic options				Total
	SO 1	SO 2	SO 3	SO 4	
Strengths					
1					
2					
3					
4					
5					
Total S					
Weaknesses					
1					
2					
3					
4					
5					
Total W					
Total W - S					

Sub-Sector Frequency Matrix

Objective: The sub-sector frequency matrix is used to identify sub-sectors with potential for enterprise development based on the number of villages for which the various sub-sectors are relevant.

Material: Papers, meta-cards, pens, markers, and flip charts

Time: Half-day

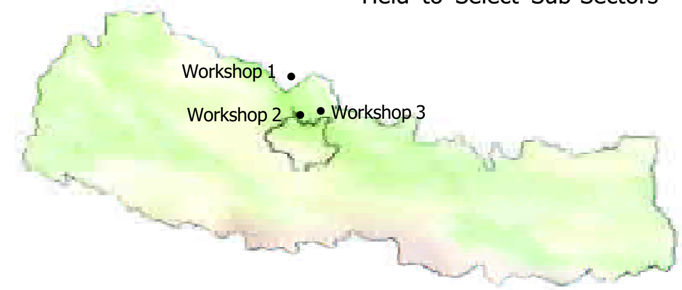
Process

1. To provide input for this matrix, workshops and interviews need to be held in a number of villages scattered in different production zones of the district.
2. This needs to be followed by an assessment with the respondents of the main sub-sectors of production which have potential for that village.
3. Information needs to be gathered on both production or resource availability of a product group and on existing skills and interest in that sub-sector.
4. List identified sub-sectors.
5. For each sub-sector, indicate the number of villages showing potential for a particular sub-sector (sub-sectors which appeared in the highest number of villages are those with the potential to have the most impact across a large population). The score indicates the number of villages with potential to supply products in the sub-sector.
6. Select high potential sub-sectors for more in-depth sub-sector analysis in which markets will be assessed.

Comments and Application

- A proper selection of sub-sectors needs to be based on a thorough analysis of the local economy. Involvement from all the key stakeholders from the government, private sector, and civil society is desirable.

District-level Workshops
Held to Select Sub-Sectors



Example of Sub-Sector Frequency Matrix

District name: Terathum (Eastern Nepal)	
Sub-Sectors	Score
Dairy	9
Forest herbs	7
Fruit (citrus unprocessed)	7
Fruit (non-citrus: banana, papaya, mango, etc., unprocessed)	7
Livestock (buffalo, cattle, others)	7
Weaving (*dhaka*, cotton textiles, etc.)	7
Cardamom	5
Fruit enterprises/processing	5
Shoe-making	5
Bamboo	4
Ginger	4
Vegetables	4

Sub-Sector Ranking Grid

Objective: The sub-sector ranking grid is used to come to a selection of sub-sectors based on number of criteria and weighing of those criteria for the various sub-sectors.

Material: Papers, meta-cards, pens, markers, and flip charts

Time: Two hours

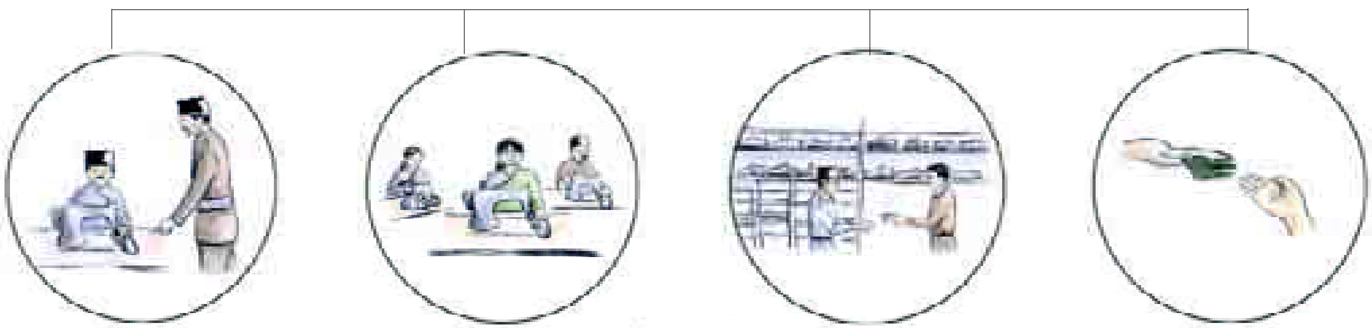
Process

1. Select proposed sub-sectors (amongst others based on district overview).
2. Define criteria to select sub-sectors.
3. Draw matrix with selected sub-sectors and criteria.
4. Rank criteria for each proposed sub-sector on a scale of five with one being the lowest score and five being the highest. (If one desires to give more weight to particular criteria, then a 'weighted ranking system' can be established. In this system, one could assign, for example, a weighted value of two to particular criteria. If that criterion is ranked with a three, for example, then its score would be 2 x 3 = 6.)
5. Total the numbers and select sub-sector(s).

Comments and Application

- The ranking exercise should not be used as a straightjacket, but rather as a tool to facilitate discussion and making choices.
- A proper selection of proposed sub-sectors and criteria is critical to the selection process and needs to be based on a thorough analysis of the local economy. Involvement of all the key stakeholders from the government, private sector, and civil society is desirable.
- Gender could be addressed by including a separate criterion on the potential for income generation for women and/or concentration of women in the sub-sector.

Key Requisites of a Potential Sub-Sector



Example of Sub-Sector Ranking Grid

Criteria	Proposed Sub-Sectors		
	Sub-Sector 1	Sub-Sector 2	Sub-Sector 3
Unmet market demand (weighted 2x)			
Opportunities for linkages (weighted 2x)			
Potential for employment generation			
Government or donor interest			
Total			

Transect Walks

Objective To demonstrate the importance of going in person (as a team) to observe and talk about things of local importance

Material Small notebooks, pens, chart papers, or white board

Time One to three hours or up to a whole day

Process

1. Identify the route to be taken by the teams to conduct the transect walks. The site may be close to the place where you are working or further away from your place of work.
2. Make arrangements for local key informants to accompany the team.
3. Divide the participants into small groups using a group forming exercise.
4. Give time for the team to prepare and plan their transect walk. Ensure that the subject of inquiry is well-defined and groups focus on what they are hoping to find out and what methods they will be using.
5. Groups conduct transect walks, returning upon an agreed time to prepare and present their findings.

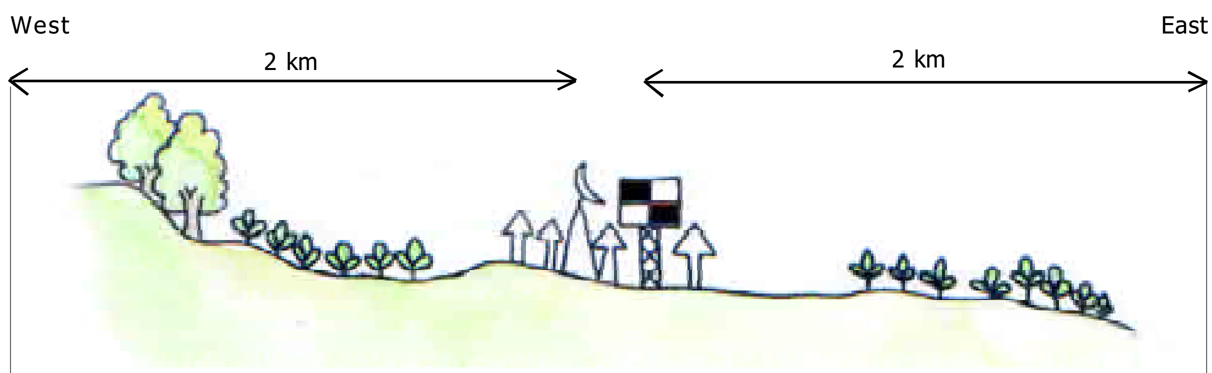
Comments and Application

- During the debriefing session, focus the discussion on both methodological issues and findings of the walks.
  * What was new that you discovered?
  * How did you feel talking to informants in their own territory?
  * What methods did you use during the transect walk?

Application of Transects

Transects can be used to provide insight into the following aspects.
- Changes in vegetation and forests over altitude.
- Changes in human habitation over altitude.
- Changes in vegetation and human habitation over space.
- Changes in variables over time, by sampling the same transects in different time periods.

Example of a Transect Walk: Village of Sidra Kordofan, Sudan



Soil	rocky	gravel	gravel	sand	clay
Land-use	forest	farmland grazing	village	farmland grazing	farmland
Crops and vegetation	trees, bamboo	grass shrubs, millet sesame		sesame, beans, hibiscus	sorghum, groundnuts
Problems	erosion	drought, pests		drought, pests, low soil fertility	drought
Opportunities	fuelwood, timber, bamboo	pasture, rainfed farming	market transport, water, credit, health care, school	pasture, rainfed farming	flood- recession farming

Trend Lines: Historic and Future Trend Analysis

Objectives
- To help in the analysis of relationships between historical and current trends in selected environmental, cultural, socioeconomic, and market conditions identifying opportunities and designing community-based tourism products (historical trend line as an analytical tool)
- To represent a time-line of the impacts and benefits of community-based tourism as a result of implementation of action plans (future trend line as a monitoring, planning, and reporting tool)
- To measure progress in achieving impacts and benefits of community-based tourism

Material
- Large poster paper. Prepare X and Y axis lines, Y (vertical) representing relative increase in values and X (horizontal) representing time. Do not fill in the X and Y values until the exercise
- Different coloured pens, pencil, eraser, and ruler (scale)
- If done outside on the ground, stones and a stick for drawing lines

Time One hour for historical or future trend line development and analysis, half to one hour as a monitoring tool

Process

Historical trend line analysis in Discovery

1. Introduce the trend line exercise and the XY graph. Explain the concept of an X-Y chart, showing relative change over time.
2. Identify (brainstorm) environmental, cultural, socioeconomic, and market conditions and characteristics that relate to community-based tourism and conservation (for example, trends in numbers of tourists and lodges, employment, condition of forest, garbage, cultural integrity, etc.). Refer to sample topics.
3. Select (prioritise or cluster) six to 10 trend topics to be plotted; more than 10 lines become cluttered.
4. Ask the participants how many years back they can visually recall the selected conditions and characteristics. Choose a beginning point which at least a few of the participants can remember and, in selecting participants, include several elderly people.
5. Draw the lines for the X and Y axis on a paper, or on the ground. Mark points on the X axis for every one, two, or five years depending on the overall time period portrayed.
6. Select a condition/characteristic topic for a trend line and discuss criteria for determining whether the trend line should go up or down over. Discuss specific events or factors that influenced the trends. Place points on the chart at the height that represents the value of each condition or characteristic for a given year, using a pencil so it can be changed during the discussion; or if doing the exercise outside, place stones on the graph.

7. Continue plotting all points for a selected condition or characteristic before connecting the points into a line. Check with participants if the line is representative of the trends.
8. Ask the participants to discuss whether and how the various trend lines are related and what conditions have influenced each other (for example, how has an increase in tourist numbers and/or tourism development affected local people's economic status, forest conditions or garbage? Have garbage conditions effected tourist visitation, numbers? What has been the security of food in the past? How have people managed to cope with such adverse situations?) This analysis is very important in helping participants to appreciate the relationship between community-based tourism, conservation, local benefits, and market demand. Be sure to note the content of discussion.
9. Finalise the graph; copy it on to a large paper and colour the lines for clarity.
10. Reflect on the value of this exercise — how looking at past trends helps understand the current situation and the causal relationships between factors of change.
11. Conclude with a brainstorming session of other conditions and issues for which the historic trend line tool might be used and what it might reveal.

Sample: Historical Trend Line Topics and Analytical Questions

Sample Topics

- *Trends in tourism development and market demand*, represented by trends in the number of tourist arrivals (by types of tourist if relevant), number of lodges/beds and occupancy rates, average number of days tourists spend in area (by type of tourist), tourist activities plotted separately (trekking, rafting, bird watching, cultural touring, home stays), demand for services (local guides, home stays), etc.
- *Trends in the socioeconomic impacts and benefits of tourism*, represented by number of local guides employed, revenue earned by lodge and restaurant operations, sales of locally-made goods (vegetables, eggs, milk, handicrafts, fuel, supplies), English speaking (or other foreign language) abilities, inflation of local prices, general living standards (using proxy indicators as relevant), etc. (*Note*: relate this trend graph with that for market demand above.)
- *Trends in cultural integrity*, represented by community support for religious or cultural institutions and activities, number of practising artisans, use of native language, consumption of local food, attendance at ritual ceremonies, etc., and relate it to local people's time or financial resources committed to tourism.
- *Trends in environmental conditions*, represented by the condition of forests (species diversity, distance to collect wood/timber/ fodder, etc.), productivity of grazing lands used by livestock transport, amount of garbage, wildlife sightings, etc.

Sample Questions to Stimulate Analysis of Historic Trend Lines

- *Market trends*: which type of tourist generates the greatest local benefits (for example, guide jobs, lodge revenue, local product sales); the greatest demand for services, facilities, and resources; and the greatest impact on the environment? How has the condition of forests, garbage situation, instances of wildlife sightings, number of cultural activities, etc., affected a rise or fall in tourist numbers? How has the availability of tourism services and activities affected the number and length of stay of different types of tourists?
- *Socioeconomic and cultural trends*: what is the relationship between cultural integrity (as defined) and tourism (by different types of tourists)? How is tourism affecting the general socioeconomic situation in the community? Are trends in the numbers of artisans and the number or buying habits of certain types of tourists linked? What is the relationship between local interest or participation in cultural events and tourism trends?
- *Environmental and natural resource trends*: are fuelwood and timber collection rates and the effects on forest conditions linked to number of tourists or tourist lodges, and if so how? How do tourism trends relate with garbage or pollution trends? What other factors (for example, economic activities, population growth, consumption patterns) have affected specific resource use trends; can these be separated from tourism use patterns?

Remember to ask open-ended questions!

Future trend line as a monitoring planning tool

12. Discuss the utility of future trend lines in plotting anticipated impacts, benefits, and market characteristics of community-based tourism that will result from implementation of action plans. Identify indicators of impacts and benefits. Relate the timing of achieving certain impacts, benefits, and targeted market segments with the implementation schedule of various activities.
13. Prepare X and Y axis lines on a large piece of paper, and identify the future point in time used in the Dream exercise (10 to 20 years). Mark the X line for every six months to one year, depending on the overall time frame.
14. Discuss the anticipated impacts and benefits that will occur when each Design action plan is implemented over time; identify indicators to represent those impacts and benefits. Identify the market segments to be targeted and the anticipated demand for services they will bring.
15. Plot lines along the X-Y axis for each main impact, benefit, and service demand anticipated. Upward and downward trend lines will represent when and how much impact, benefit, and demand will occur according to the action plan schedule. Leave the trend lines in pencil for possible revision later.

16. Discuss potential interventions or factors that may affect the trends over time. Are there any shared opportunities or constraints? Is the timing realistic or are too many activities scheduled at once? Are there opportunities for combining efforts to achieve complementary benefits, such as joint marketing of tourism activities?
17. Review and revise action plans as necessary based on the discussion of anticipated results and shared opportunities and constraints.
18. Finalise the future trend line as a monitoring planning tool by summarising the schedule for achieving identified impacts and benefits alongside a summary implementation schedule.

Future trend line as a monitoring reporting tool

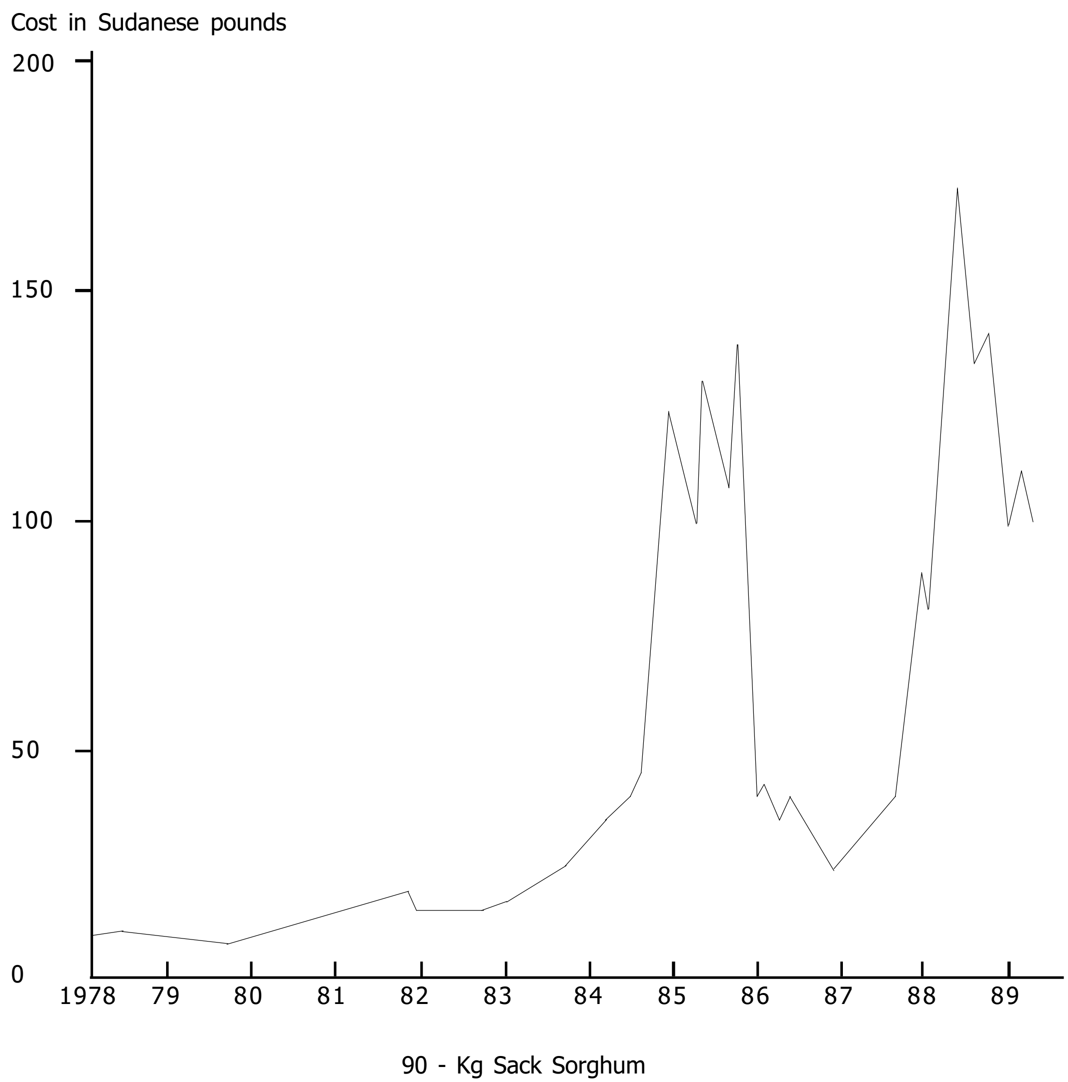
19. Periodically update historic trend lines to bring them up to date in plotting and analysing the relationship between certain conditions.
20. Review future trend lines every six months to note progress made in achieving impacts and benefits as a result of action plan implementation. Note the discussion around the monitoring review regarding opportunities and constraints in implementation.
21. Discuss the need to revise future trend lines according to monitoring results and any revision to implementation schedules or modifications of indicators.

Comments and Application

- Trend lines are useful in planning for and monitoring institutional capacities, community awareness, and the relationship between a variety of community-based tourism and conservation conditions and factors.
- Trend lines represent qualitative not quantitative measurement of conditions, characteristics, situations, attitudes, etc. Thus, the upward and downward trajectory lines represent relative change, not exact measurements.
- The facilitator should influence the selection and definition of trend line topics to provide useful information for subsequent 4-D exercises and analyses.

A Positive Trend Line

Example of Time Trends: Grain Price Fluctuations, El Obeid, Sudan



Venn Diagrams

Objectives - To identify community organisations and institutions, their roles, and linkages to community-based tourism
- To reveal important linkages and constraints in the participants' own institution or organisation according to the perceptions of different groups of participants

Material Pens, paper, scissors, tapes or glue

Time One hour

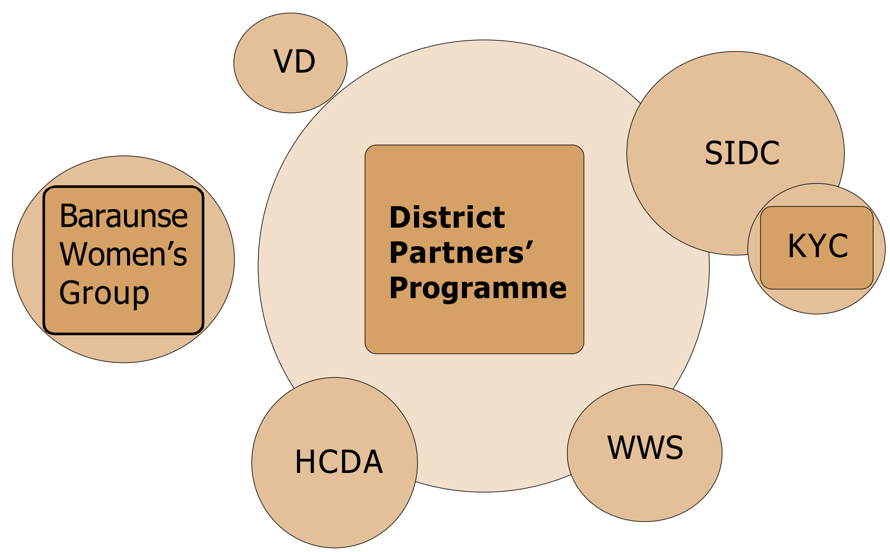
Process

1. Divide the participants producing the Venn diagrams of a known institution, usually to the ones that the participants belong. Divide into groups according to what they know about the existing institutions or according to hierarchy or department.
2. Ask participants to identify key institutions and individuals who play a role in the community for any tourism or conservation-related activity.
3. Cut out circles or ask the participants to draw circles of different sizes to represent the institutions and individuals in the community. The size of the circle should depend upon the relative importance of the institution or individual playing a key role in the community. Ask participants to label the circles.
4. Ask the participants to arrange the circles on the paper to represent working relationships among the various organisations identified as follows:
   - separate circles: no contact among institutions/individuals;
   - touching circles: information is shared between them;
   - small overlap: some collaboration and cooperation in decision-making; and
   - large overlap: considerable collaboration and cooperation.
5. When the diagram is completed, analyse the key differences between the groups and their underlying causes.

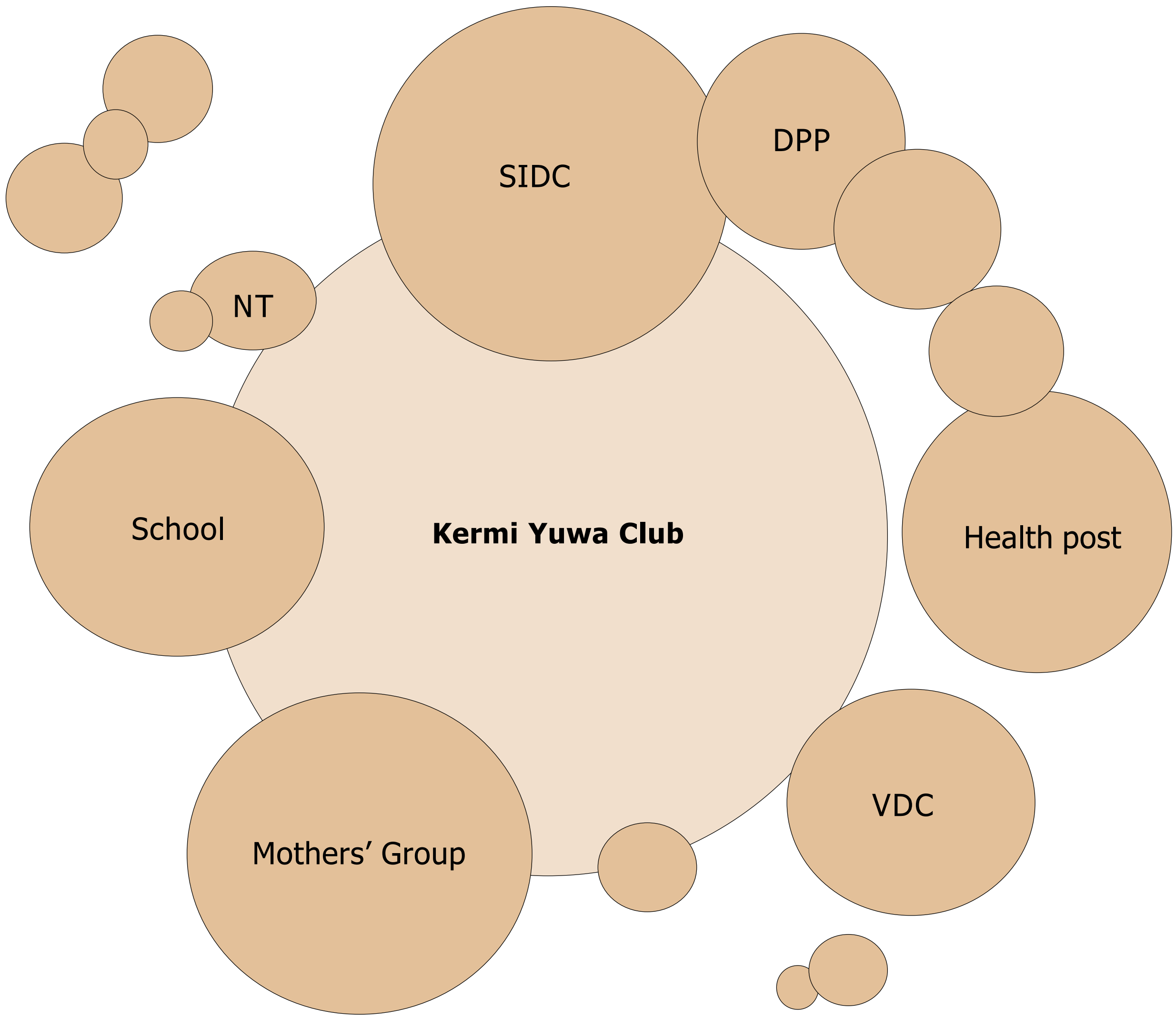
Comments and Application

- This entire process of Venn diagramming can be a very illuminating exercise as certain aspects of one's institution and the role they play may be revealed for the first time.
- It may help to highlight the different perceptions of different groups, the degree of relationship and importance, areas of dispute, and show a means to resolve the conflicts.
- In the process of making Venn diagrams of different situations as seen by different actors, participants can discuss ways to resolve conflicts, fill in institutional gaps, encourage linkages between institutions associated with tourism and conservation, quantify natural resource use, etc.
- Individuals who play an important role in community institutions are important leaders — the village headman, locally elected body representatives, etc.
- Venn diagramming gives a visual representation of different groups and organisations within a community and their relationships and importance in decision-making. This visual tool is helpful for participants with poor literacy skills.
- The relative importance of a group is shown by the relative size of the circle representing it. The larger the circle, the more important the group.
- The extent to which the group interacts with each other is shown by the degree of overlap shown in the diagram. The greater the overlap, the more interaction and cooperation between the groups.
- Form the list of institutions.

Venn Diagram of Simikot Village Showing Institutions Working Together for Community Development



Organisational Relationship of Kermi Yuwa Club with Existing Institutions



Wealth Ranking

Objectives
- To describe the basic procedure of well-being ranking
- To identify and analyse the different wealth groups
- To produce a ranked list of households according to well-being, as perceived by informants

Material Pens, flip charts, and local material

Time One hour

Process

1. With participants, construct a list of all households to be ranked.
2. Write the name of each household on separate cards.
3. Have a discussion to develop criteria for assessing a household's relative wealth (how they would define or describe a poor household or a rich household).
4. Ask the participants to divide the set of cards into several piles to represent the different wealth groups within the community. Let participants decide how many piles to make. In some cases, they may choose to distinguish only two or three different groups (say rich, medium, and poor), but, in other cases, they may divide the community into many more piles.
5. For participants with poor literacy skills, read out the name of each household during card sorting.
6. Once the participants finish the card sorting, ask them to go back and check the piles and make any adjustments they wish.
7. When the participants are content with the results, ask probing questions about, for example, the factors determining a household's place in the ranking; what could lead to a household moving from one wealth group to another, etc.
8. When doing the exercise in groups, ask the participants to identify two or three 'typical' households within each wealth group which the team can visit at a later stage.
9. Record the results of the ranking in terms of the characteristics of households in each wealth group and, where appropriate, the names of the households in each group.

Comments and Application

- In some communities, relative wealth/poverty is a very sensitive topic, and this technique may need to be conducted in a private setting to allow participants to talk freely. In some cases, the technique may have to be avoided altogether.
- This technique sometimes proves to be problematic in urban areas where people tend to be less familiar with their neighbours than in rural communities.

- The results of wealth ranking should be triangulated by using other means of addressing the issue of relative wealth, such as by a social mapping exercise.
- If possible, ranking should be repeated with different participants and the results compared to look for any differences of opinion as well as differences in wealth criteria, for example, between men and women. Results need to be cross-checked with secondary data and follow-up interviews with key informants.
- The results of wealth ranking can be helpful in targeting efforts at particular groups, such as the very poorest households or marginalised groups or communities.

Wealth Ranking by Card Sorting — informant first grouped 13 households in groups and later split them into three.

Group 1
There were five households, who were not in a bad shape. These five households were all male headed and related by matrilineal kinship. They mostly sell tobacco; have all lived and worked in town; all are relatively educated; one man owns a building he rents as a shop; and houses are larger, made from better material.

To be rich, this group would need — fertiliser loans and tractor hire facilities.

Group 2
There are seven households in this category — three male headed, four female headed. Mostly rely on mat-making for extra income, they have problems in getting money — lack of planning and low levels of farm production.

To improve their situation, 'they don't need help from anyone; they just need to help themselves.'

Group 3
There is only one household in this category. She is a lady without any children or husband. She is old and incapable of carrying out domestic tasks and often without food. She depends on charity and relatives for survival.

To be better off, she needs combined village assistance — money to buy essentials like food and salt. She also needs help in drawing water, thatching her house, and other major jobs.

Note: The situation of the really destitute was regarded as a matter for the community — not for outside assistance. Situation of the intermediate group was regarded as one of self-help. The situation of the relatively well-off was regarded as one that outside agencies could help to solve.

Abbreviations

ADBN	Agricultural Development Bank/Nepal
APPA	Appreciative Participatory Planning and Action
BDS	Business development services
CBFE	Community-based forest enterprise
CBO	Community-based organisation
CBST	Community-based sustainable tourism
CBT	Community-based tourism
CECI	Canadian Centre for International Studies and Cooperation
CGAP	Consultation Group to Assist the Poorest
CO	Community organisation
CSI	Cottage and small industries
DDC	District Development Committee — local government at the district level.
DPP	District partners' development programme
ESS	Enterprise Support Services
FGDs	Focus group discussions
FECOFUN	Federation of Community Forest User Groups in Nepal
FIT	Free independent trekker
FUG	Forest user group
GO	Government organisation
HMGN	His Majesty's Government of Nepal
ILO	International Labour Organisation
INGO	International non-government organisation
IOM	Integrated organisational model
LGP	Local governance process
MAD	Market Analyses and Development
MEDEP	Micro-enterprise development programme
MFI	Micro-finance institution
MFN	Micro-finance network
MIS	Market information system
MHDP	Mechi hill development programme
NFE	Non-formal education
NGO	Non-government organisation
NRB	Nepal Rastra Bank
NRM	Natural resource management
NRs.	Nepalese rupees
NTFP	Non-timber forest product
PAR	Participatory action research
PAT	Product assessment table
PCDP	Praja community development programme
PLA	Participatory learning and action
PRA	Participatory rural appraisal
SCO	Savings and credit organisation
SDC	Swiss Development and Cooperation
SE	Small enterprises
SEED	(an INGO) Action for Solidarity, Equality, Environment, and Development
SEEP	Small enterprise education and promotion
SFDP	Small farmers' development programme
SME	Small and medium enterprise
SM	Social Mobilisation
SMP	Social mobilisation programme
SNV	The Netherlands Development Organisation
SO	Strategic orientation
SUM	Special unit for micro-finance
SWOT	Strengths, weaknesses, opportunities, and threats
TOT	Training of trainers
UAI	Usage, attitude, image
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USP	Unique selling point
VDC	Village Development Committee — local government at the village level.

Glossary

Allo	Plant used for making thread and treating burns
Achar	Pickle
Bari	Kitchen garden or terraced land with low fertility
Dalit	People considered oppressed, includes people of alleged lower caste.
Dhaka	Handwoven cloth indigenous to Nepal
Dhami	Spiritual healer, also acts as an indigenous knowledge-based health practitioner.
Jatamansi	Spikenard
Jhankri	Faith healer, usually coming from animistic or ancestor worship-based ethnic groups
Khet	Land with greater fertility where rice plantation is possible.
Lama	Priest who or a caste which can perform religious duties, usually coming from a Buddhist base.
Parma	System of contributing labour
Pewa	Monies, land or other items owned by a woman.
Pundit	Priest who or a caste which can perform religious duties, usually coming from a Hindu base.
Praja	Ethnic community
Resa	Thread usually coming from plant or animal species
Nigalo	Bamboo, usually used to make household items
Chyau	Mushrooms

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WEBSITES

Business Development Services

- www.devdir.org. This directory is a compilation of contact data of the main sources of assistance available for private-sector development (micro-, small- and medium-sized enterprises) and poverty reduction. A wide range of organisations is included in the directory: international organisations, government ministries, private-sector institutions, development agencies, universities, research and training institutes, NGOs, grant providers, banks, micro-finance institutions, and development consulting firms. The organisations mentioned promote both private-sector development and poverty alleviation through the financial sector and micro-finance; trade and business development services; rural development and appropriate technology; small enterprise development and policy reforms; community development and social protection; gender and participation; environment and health; and research, training, and education. The directory lists 25,000 organisations that offer non-financial services.

- www.enterweb.org. This is a very good starting point for an overview of websites on micro-, small-, and medium-sized enterprise development. The primary objective of this site is to act as an information broker that will provide an annotated list of internet resources to enterprise development practitioners, policy-makers, academics, librarians, students, entrepreneurs, and small-business owners. It gives substantive information on enterprise development topics including finance and credit; technology and technology transfer; management training; business centres and advisory services; entrepreneurship development and incubators; community economic development; credit unions and cooperatives; education and vocational training; marketing and trade; business networks and information resources; business law and cyber business; enterprise development policies; economics, enterprise, and environment; business news; and women and enterprises.
- www.seepnetwork.org/bdsguide.html. The SEEP network is an association of more than 56 North American private and voluntary organisations that support micro- and small-enterprise programmes in the developing world. The network's mission is to advance the practice of small- and micro-enterprise development among these organisations, their international partners, and other practitioners. In doing so, the network provides a vehicle for the collective examination of agency experience from which emerges learning that advances the professional development of its members, increases programme impact, fosters continuing methodological innovation, and informs the policy arena. The website contains an overview of the latest strategies in BDS, including best practices.
- www.intercoop.ch/sed/index.htm. A website on small-enterprise development of Swiss Development Cooperation (SDC) including news, documents, and links.
- www.sme.com. This website contains information on small- and medium-enterprise development in Europe and the USA.
- www.ilo.org/seed. The website of ILO's SEED programme, which aims to increase employment through small enterprise development.
- www.ilo.org/public/english/employment/ent/sed/bds/donor. Information on the donor committee including papers and proceedings.
- www.mip.org. The Micro-Enterprise Innovation Project is the United States Agency for International Development's (USAID) initiative to support technical and financial assistance, research, and training on best practices in micro-enterprise development and finance. The components of USAID's micro-enterprise programme are: micro-enterprise best practices, assessing impact of micro-enterprise services, implementation grant programme, technical assistance to USAID missions, and programme for innovation in micro-enterprise. The site includes papers on best practices in the fields of BDS and micro-finance.
- www.oneworld.org/itdg/publications.html. Various publications on enterprise development and BDS.
- www.bellanet.org/sed/performance. Information about the virtual conference on BDS performance.

Micro-Finance

- www.gdrc.org/icm. A virtual library on micro-credit with a bibliography, documents, case studies, libraries, internet resources, and mailing lists.
- www.cgap.org. The goal of the Consultative Group to Assist the Poorest (CGAP) is to significantly expand the access for very poor people to quality financial services from sustainable or potentially sustainable MFIs. This is done by providing the government, donors, and practitioners with a vehicle for structured learning and dissemination of micro-finance best practices.
- www.bellanet.org/partners/mfn. MFN is a global association of leading micro-finance practitioners. The members of the network are committed to improving the lives of low-income people through the provision of credit, savings, and other financial services. The network believes that this sector of the population should be served by sustainable and profitable MFIs. The network's mission is as follows:
  - to promote the financial systems' approach to micro-sector finance among policy-makers, donors, and practitioners;
  - to facilitate the process of transformation of micro-finance organisations into formal financial institutions; and
  - to provide network members with access to information and expertise that increases their knowledge about best practices in micro-sector finance and accelerates their process of transformation.
- www.ilo.org/public/english/employment/finance/advis.htm. The Social Finance Unit is International Labour Organisation's (ILO) focal point on micro-finance. The unit provides advisory services, conducts applied research, and oversees a portfolio of small- and micro-enterprise projects. Its website contains a summary of the unit's activities.
- www.uncdf.org/sum/index.html. Special Unit for Micro-Finance (SUM) was created with an aim to support micro-finance institutions in their quest to reach sustainability and maintain increased outreach to the poor, especially women.
- www.accion.org. ACCION International is a non-profit organisation that fights poverty through micro-lending. ACCION International is one of the world's leading micro-finance organisations and is dedicated to bringing financial services to people with small-businesses. The website contains a list of publications.

This toolkit integrates four development approaches: Social Mobilisation, Appreciative Participatory Planning and Action, Market Analyses and Development, and Enterprise Support Services. To be used for a project cycle, the publication aims to involve community people and practitioners to strategically build up social and marketing support for rural development.

ICIMOD

SNV

SNV Netherlands development organisation is a multicultural development agency based in The Netherlands and operating internationally. SNV supports organisations in 26 countries in Africa, Asia, Latin America, and Eastern Europe, which want to develop and improve their capacities. SNV's main target is to improve the performance and increase the influence of these organisations. Most of SNV's clients are organisations that work at the provincial or district levels. These organisations provide services to groups of poor people in remote areas, and look after their interests. SNV's policy concentrates on three working areas: natural resource management, local governance, and private sector development.

A TOOLKIT FOR DEVELOPMENT PRACTITIONERS

Developing Sustainable Communities

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